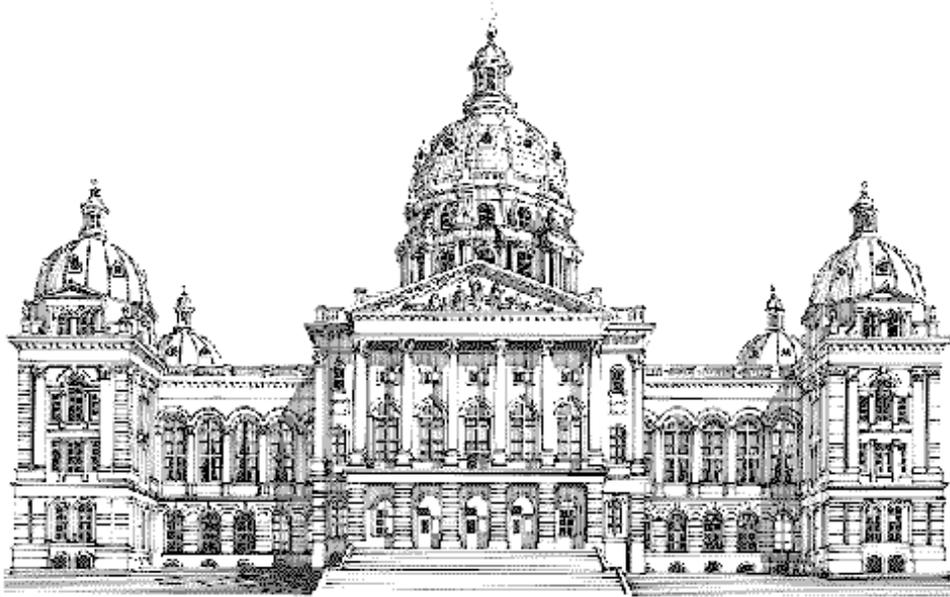


# SUMMARY OF FY 2002 BUDGET AND GOVERNOR'S RECOMMENDATIONS



Legislative Fiscal Bureau  
January 2001

## FOREWORD



The purpose of this document is to provide the General Assembly with information concerning FY 2002 General Fund estimated receipts, department requests, and Governor's recommendations. This information provides an overall summary of the State budget and is intended to help the General Assembly take a proactive approach toward the budgetary process.

This document is intended to present an overview of the General Fund, including revenues, expenditures, and FTE positions, to all members of the General Assembly. The Legislative Fiscal Bureau (LFB) will have detailed budget documents for each appropriations subcommittee containing an overview and analysis of departmental budgets and Governor's recommendations. The appropriations subcommittees can use the documents for consideration of the FY 2002 budget.

The LFB has developed a series of computer programs to allow legislators and legislative staff on-line access to several LFB products. The explanation and list of products are detailed in Appendix E, entitled Electronic Publishing of Information. A logo has been designed to assist in locating products available electronically. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.



If you need additional information regarding a Governor's recommendation, Appendix F contains a list of LFB staff members. Individual analysts can provide detailed information concerning each recommendation.



Questions concerning this document should be directed to Dennis Prouty, LFB Director, (515) 281-5279.

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## DOCUMENT NOTES

### When Reviewing This Document, Please Note The Following:

Section 8.35A(2), Code of Iowa, requires the Department of Management (DOM) to transmit the Governor's recommendation to the LFB by January 1 or no later than the date the Governor's budget document is delivered to the printer. The information in this document is based on the January 5, 2001, budget tape received by the LFB. In some instances, a department request may have been changed from the time the Department Request Summary was published in December.

Other items worth noting when reviewing this document include:

- Any new concept, new funding not included in a department request, or significant modification to a department funding request that is made by a Governor's recommendation is preceded by this symbol, ❖.
- *Any new concept introduced by the Governor and discussed within departmental issues is indicated by italics.*
- Revenues and expenditures are estimated for FY 2001 and FY 2002.
- FY 2000 data includes supplemental appropriations and salary adjustments, but not appropriation transfers or reversions. FY 2001 and FY 2002 data does not include supplemental appropriations, appropriation transfers, or reversions, and the FY 2002 data does not include salary adjustments.

This document contains the following appendices:

- **Appendix A** is an appropriations tracking document showing General Fund, Other Fund, and FTE position appropriations by subcommittee.
- **Appendix B** is a listing of the projected FY 2002 built-in increases and decreases compared to estimated FY 2001.
- **Appendix C** is a glossary of budget terms.
- **Appendix D** contains a listing of the *Issue Reviews* completed by the LFB during the 2000 interim.
- **Appendix E** contains an explanation of products available through the LFB's Electronic Publishing of Information. A logo has been designed to assist in locating products available electronically. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.
- **Appendix F** contains the LFB staff listing.



This document is available on the LFB website <http://staffweb.legis.state.ia.us/lfb>.

# 2001 IOWA LEGISLATIVE SESSION TIMETABLE

(If Legislative Rules remain unchanged)

- **January 8** - First day of Session.
- **February 16** - Final day for individual requests for bill drafts to be submitted to the Legislative Service Bureau.
- **March 9** - Final day for House bills to be reported out of House committees and Senate bills out of Senate committees.
- **March 12-16** - House considers only House bills and unfinished business and Senate considers only Senate bills and unfinished business.
- **March 19-30** - Debate not limited by rule.
- **March 30** - Final day for Senate bills to be reported out of House committees and House bills to be reported out of Senate committees.
- **April 2-6** - House considers only Senate bills and unfinished business and Senate considers only House bills and unfinished business.
- **April 9** - Amendments need not be filed on the day preceding floor debate.
- **April 9** - Only the following bills are eligible for consideration:
  - Appropriations bills
  - Ways and Means bills
  - Legalizing Acts
  - Co-sponsored by Majority and Minority Leaders
  - Companion bills sponsored by House and Senate Majority Leaders
  - Conference Committee Reports
  - Bills passed by both Houses in different forms
  - Concurrent or Simple Resolutions
  - Bills on the Veto Calendar
  - Administrative Rules Review Committee bills
  - Joint Resolutions nullifying Administrative Rules
  - Unfinished business
- **April 27** - 110th day of Session.



# EXPENDITURE LIMITATION ACCOUNTS

## Cash Reserve Fund

- The Cash Reserve Fund Account requires a balance of 5.0% of the adjusted revenue estimate for the General Fund. The beginning balance in the Fund for FY 2001 was \$229.9 million.
- The year-end General Fund surplus (ending balance) is appropriated to the Cash Reserve Fund.
- Interest on moneys deposited in the Fund is credited to the Rebuild Iowa Infrastructure Fund (RIIF).
- Moneys in the Cash Reserve Fund may be used for cash flow purposes, but shall be returned by the end of the fiscal year.
- Appropriations from the Fund are allowed if:
  - The appropriation is for a non-recurring emergency expenditure.
  - Funding is contained in a bill or resolution in which the appropriation is the only subject matter.
  - The appropriation is approved by a majority of the members of both chambers and the Governor if the Fund is not reduced to below 3.0%. Approval of 60.0% of the members of both chambers and the Governor is required if the Fund is to be reduced below 3.0% of the adjusted General Fund revenue estimate.



## Generally Accepted Accounting Principles (GAAP) Deficit Reduction Account

- The Generally Accepted Accounting Principles (GAAP) Account receives the amount of Cash Reserve Fund moneys in excess of the required balance. The Fund did have a balance at the beginning of FY 2001.
- The Department of Management must annually file with both houses of the General Assembly a schedule of the items for reducing the GAAP deficit.
- Moneys which exceed the amounts required to retire the GAAP deficit are appropriated to the Economic Emergency Fund.

## **Iowa Economic Emergency Fund**

- The maximum balance of the Economic Emergency Fund Account is 5.0% of the adjusted revenue estimate for the General Fund. Moneys in excess of the required 5.0% are transferred to the General Fund. The beginning balance in the Fund for FY 2001 was \$229.9 million.
- Interest on moneys deposited in the Economic Emergency Fund is credited to the Rebuild Iowa Infrastructure Fund.
- Moneys in the Economic Emergency Fund may be used for cash flow purposes, but shall be returned by the end of the fiscal year.
- Appropriations from the Fund require approval of a majority of the members of both chambers and the Governor's signature for an emergency expenditure.
- The Cash Reserve Fund and Economic Emergency Fund are also known as the budget stabilization or Rainy Day Funds.

## **Rebuild Iowa Infrastructure Fund (RIIF)**

- Funds in the Rebuild Iowa Infrastructure Fund (RIIF) Account shall be used for public infrastructure-related expenditures.
- All racing and gaming receipts in excess of \$60.0 million shall be credited to the Rebuild Iowa Infrastructure Fund.
- Interest on moneys deposited in the Cash Reserve Fund and the Economic Emergency Fund is credited to the Rebuild Iowa Infrastructure Fund. Interest generated from the Rebuild Iowa Infrastructure Fund remains in the Fund.
- The General Assembly may provide that all or part of the moneys deposited in the GAAP Account may be transferred to the Rebuild Iowa Infrastructure Fund Account instead of the Economic Emergency Fund Account.



## **Flow of General Fund Revenues After Expenditure Limitation**

The following flowchart illustrates the flow of General Fund revenues after expenditure limitation.

# STATE OF IOWA

## Flow of General Fund Revenues After Expenditure Limitation

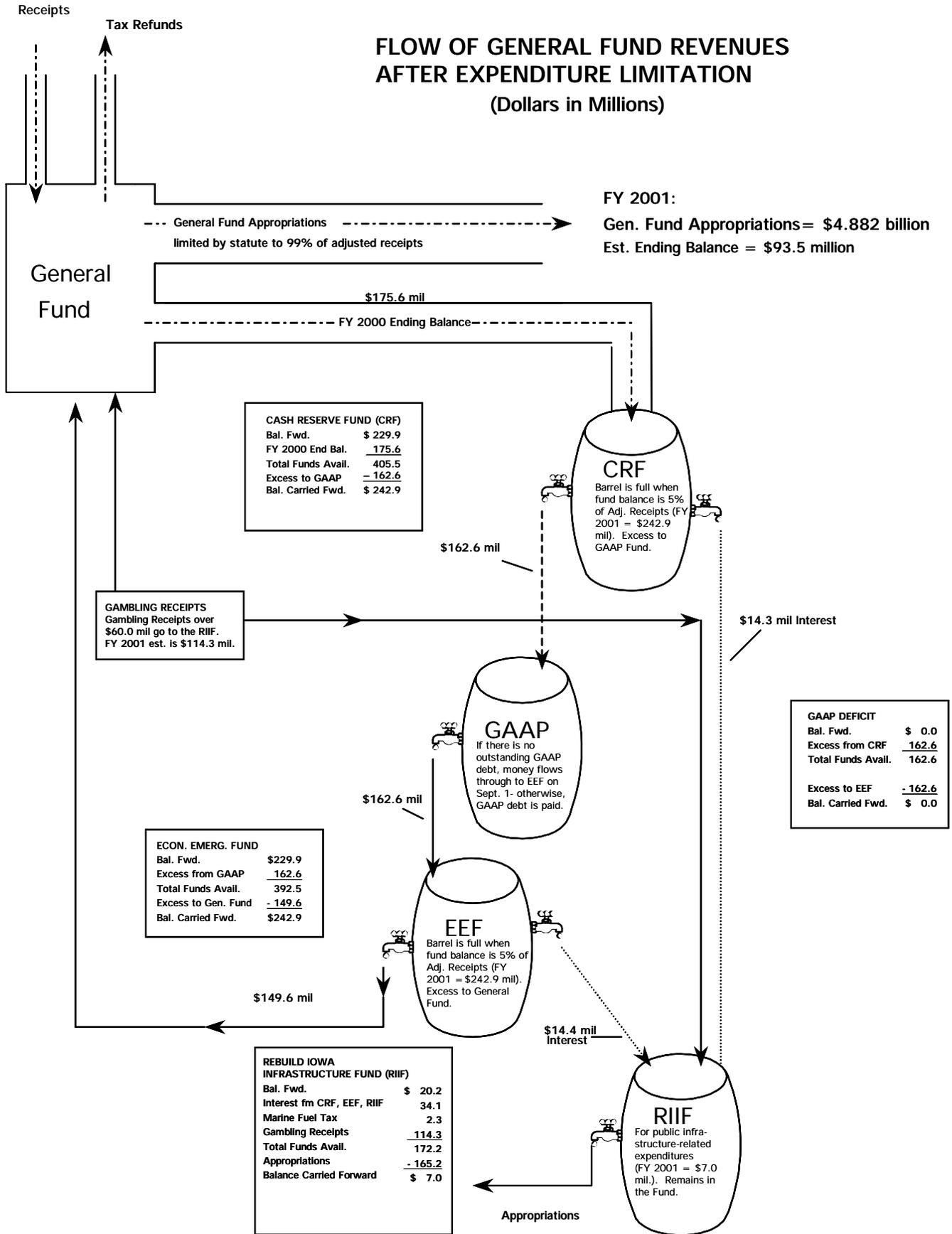
(Dollars in Millions)

<b>CASH RESERVE FUND (CRF)</b>	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Estimated FY 2001</b>	<b>Gov.Rec. FY 2002</b>
Balance Brought Forward	\$ 215.0	\$ 219.6	\$ 221.9	\$ 229.9	\$ 242.9
Estimated Revenues:					
General Fund Ending Balance	<u>348.7</u>	<u>415.1</u>	<u>283.8</u>	<u>175.6</u>	<u>93.5</u>
Total Funds Available	563.7	634.7	505.7	405.5	336.4
Excess Transferred to GAAP	<u>- 344.1</u>	<u>- 412.8</u>	<u>- 275.8</u>	<u>- 162.6</u>	<u>- 82.7</u>
Balance Carried Forward	<u>\$ 219.6</u>	<u>\$ 221.9</u>	<u>\$ 229.9</u>	<u>\$ 242.9</u>	<u>\$ 253.7</u>
<b>GAAP DEFICIT REDUCTION ACCOUNT</b>	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Estimated FY 2001</b>	<b>Gov.Rec. FY 2002</b>
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Estimated Revenues:					
Excess Transferred from CRF	<u>344.1</u>	<u>412.8</u>	<u>275.8</u>	<u>162.6</u>	<u>82.7</u>
Total Funds Available	344.1	412.8	275.8	162.6	82.7
Excess Transferred to EEF	<u>- 344.1</u>	<u>- 412.8</u>	<u>- 275.8</u>	<u>- 162.6</u>	<u>- 82.7</u>
Balance Carried Forward	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

(Dollars in Millions)

<b>IOWA ECONOMIC EMERGENCY FUND (EEF)</b>	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Estimated FY 2001</b>	<b>Gov.Rec. FY 2002</b>
Balance Brought Forward	\$ 215.0	\$ 219.6	\$ 221.9	\$ 229.9	\$ 242.9
Estimated Revenues:					
Excess from GAAP	<u>344.1</u>	<u>412.8</u>	<u>275.8</u>	<u>162.6</u>	<u>82.7</u>
Total Funds Available	559.1	632.4	497.7	392.5	325.6
Excess Transferred to Gen. Fund	- 339.5	- 410.5	- 267.8	- 149.6	- 71.8
Balance Carried Forward	<u>\$ 219.6</u>	<u>\$ 221.9</u>	<u>\$ 229.9</u>	<u>\$ 242.9</u>	<u>\$ 253.7</u>
<b>REBUILD IOWA INFRASTRUCTURE FUND (RIIF)</b>	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Gov. Rec. FY 2001</b>	<b>Gov. Rec. FY 2002</b>
Balance Brought Forward	\$ 34.4	\$ 28.1	\$ 30.4	\$ 20.2	\$ 7.0
Estimated Revenues:					
Interest from CRF, EEF, & RIIF	32.3	30.5	32.1	34.1	36.9
Gambling Revenue	85.1	103.4	123.9	114.3	52.8
Lottery Revenue					32.5
Use Tax Transfer					10.0
Marine Fuel Tax	0.0	2.3	2.2	2.3	2.3
Reversion from Environment First Fund				1.3	
Total Funds Available	<u>151.8</u>	<u>164.3</u>	<u>188.6</u>	<u>172.2</u>	<u>141.5</u>
Estimated Appropriations:					
Enacted Appropriations	124.7	134.9	168.8	165.2	74.4
Governor's Recommendation					86.5
Deappropriations					- 20.8
Reversions	- 1.0	- 1.0	- 0.4		
Total Appropriations	<u>123.7</u>	<u>133.9</u>	<u>168.4</u>	<u>165.2</u>	<u>140.1</u>
Balance Carried Forward	<u>\$ 28.1</u>	<u>\$ 30.4</u>	<u>\$ 20.2</u>	<u>\$ 7.0</u>	<u>\$ 1.4</u>

# FLOW OF GENERAL FUND REVENUES AFTER EXPENDITURE LIMITATION (Dollars in Millions)



## FY 2002 REVENUE ESTIMATES

State General Fund revenues are estimated by a three-member Revenue Estimating Conference (REC), which meets quarterly. Members are the Director of the Legislative Fiscal Bureau, the Governor or the Governor's designee, and a third member agreed to by the other two members. The REC was created by statute in 1987 during government reorganization.

The December estimate is required to be used by the Governor in the preparation of the budget message and by the General Assembly in the budget process. If the April estimate reduces the December revenue estimate, the Governor must adjust the budget recommendations to account for the reduction in revenue. If the REC increases the April estimate above the December figure, the Governor and General Assembly shall continue to use the lower projection established in December.



On December 8, 2000, the REC estimated FY 2002 total State General Fund tax revenues at \$5.506 billion. This reflects growth in revenue of \$230.2 million (4.4%) compared to estimated FY 2001. The statutory limitation on expenditures is 99.0% of the adjusted revenue estimate plus excess balances from prior years.

The December REC also estimated transfers to the General Fund and General Fund tax refunds. Fiscal year 2002 transfers were estimated at \$37.7 million, a decrease of \$64.6 million (63.1%) compared to estimated FY 2001. Fiscal year 2002 tax refunds were estimated at \$555.0 million, an increase of \$22.5 million (4.2%).

Therefore, net General Fund FY 2002 revenues, after transfers and refunds, were estimated at \$4.988 billion, which represents \$143.1 million in net new money (3.0%) compared to estimated FY 2001.

# STATE OF IOWA

## Projected Condition of the General Fund

### STATE OF IOWA GENERAL FUND BALANCE

( Dollars in Millions )

	Fiscal Year 2001		Fiscal Year 2002	
	Governor's Recomm.	Current Law	Governor's Recomm.	Current Law
<b><i>Estimated Funds Available:</i></b>				
Estimated Receipts				
Revenue Est. Conference				
Receipts	\$ 5,275.3	\$ 5,275.3	\$ 5,505.5	\$ 5,505.5
Transfers	102.3	102.3	37.7	37.7
Excess from Economic Emergency Fund	149.6	149.6	71.8	119.7
<hr/>				
Revenue Adjustments (Exh. 1)	1.0		101.1	
Transfers (Exh. 1)			- 31.6	
<hr/>				
 Total Receipts	5,528.2	5,527.2	5,684.5	5,662.9
Tax Refunds	- 532.5	- 532.5	- 555.0	- 555.0
Accruals	12.2	12.2	17.0	17.0
<b><i>Total Funds Available</i></b>	<b>5,007.9</b>	<b>5,006.9</b>	<b>5,146.5</b>	<b>5,124.9</b>
			<b>\$ 5,094.9</b>	<b>\$ 5,074.8</b>
<b><i>Expenditure Limitation</i></b>				
<b><i>Estimated Appropriations:</i></b>				
General Fund	4,882.4	4,882.4	5,019.8	
Supplemental - Teacher's Pay	42.0			
<hr/>				
Reversions:				
Regular	- 10.0	- 10.0	- 12.5	
Operations			- 2.5	
Standing Appropriations Closing Entries			- 2.0	
<b><i>Net Appropriations</i></b>	<b>4,914.4</b>	<b>4,872.4</b>	<b>5,002.8</b>	
<b><i>Ending Balance prior to Cash Reserve Transfer</i></b>	<b>\$ 93.5</b>	<b>\$ 134.5</b>	<b>\$ 143.7</b>	

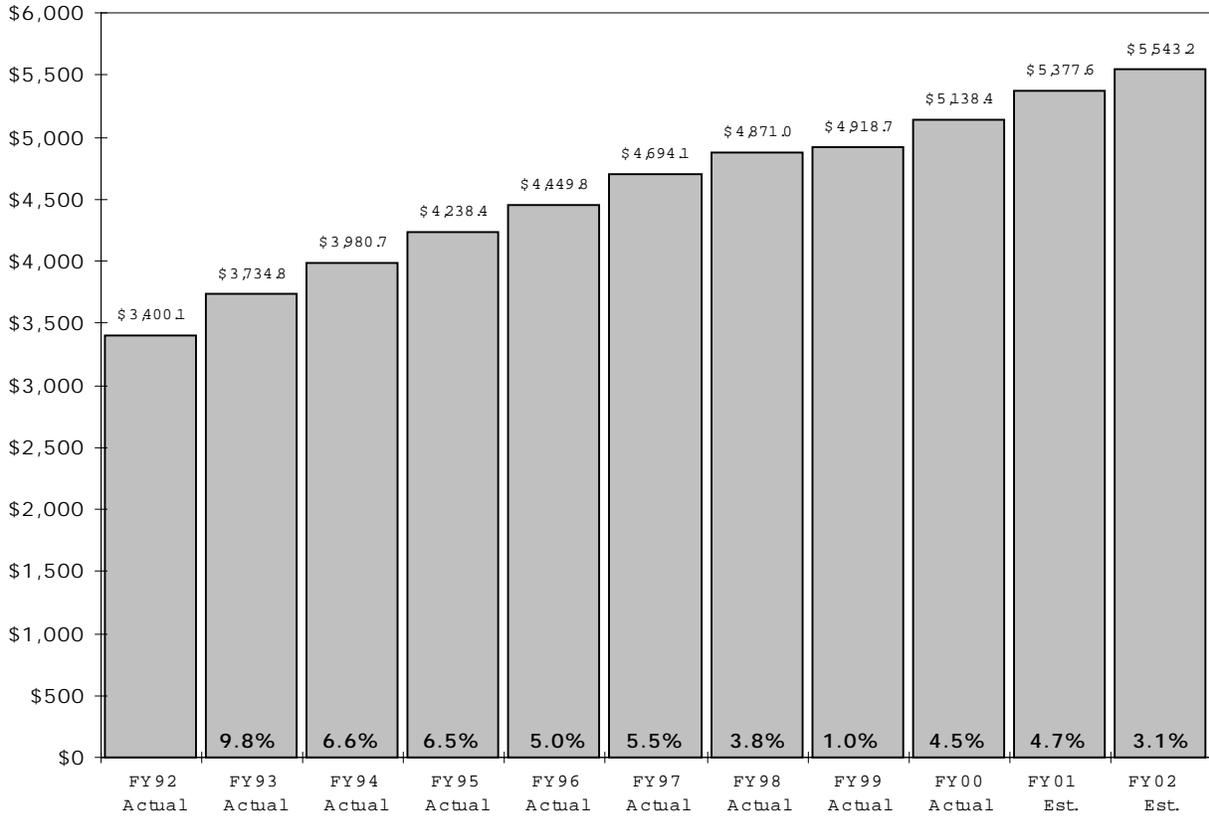
**STATE OF IOWA  
GENERAL FUND BALANCE**  
( Dollars in Millions )

**Exhibit 1**

	<b>Fiscal Year 2001</b>		<b>Fiscal Year 2002</b>	
	<u>Governor's Recomm.</u>	<u>Current Law</u>	<u>Governor's Recomm.</u>	<u>Current Law Action</u>
<b>Revenue Adjustments</b>				
Gaming Rev. Diverted From Infrastructure	\$	\$	\$ 70.0	\$
Groundwater Transfer			9.9	
Accelerated Tax Gap Project			9.4	
Corrections - Federal Prisoners Reimb.			2.6	
Waste Tire Fund	1.0		3.0	
Fines and Fees:				
Scheduled Fines			3.6	
Drug Surcharge			1.2	
Gaming Fees Enforcement			1.4	
Commerce - Reimbursement Fee Increases			0.6	
Hospital Licensing Reimbursement			0.1	
Dental Assistant Licensing			- 0.1	
Real Estate Transfer Tax to Housing Program			- 0.6	
<b>Total Revenue Adjustments</b>	<u>\$ 1.0</u>	<u>\$ 0.0</u>	<u>\$ 101.1</u>	<u>\$ 0.0</u>
<b>Transfers</b>				
Revenue Estimating Conference:				
Tobacco Settlement Fund Transfer	\$ 64.6	\$ 64.6	\$ 0.0	\$ 0.0
Lottery Proceeds	32.5	32.5	32.5	32.5
Marine Fuel Tax	0.4	0.4	0.4	0.4
Prison Infrastructure Fund	0.8	0.8	0.8	0.8
Indirect Cost	3.0	3.0	3.0	3.0
Miscellaneous	1.0	1.0	1.0	1.0
Governor's Recommendations:				
Lottery Proceeds			- 32.5	
Prison Infrastructure Fund			0.9	
<b>Total Cash Transfers</b>	<u>\$ 102.3</u>	<u>\$ 102.3</u>	<u>\$ 6.1</u>	<u>\$ 37.7</u>

# STATE GENERAL FUND RECEIPTS AND PERCENT OF GROWTH FY 1992 - FY 2002

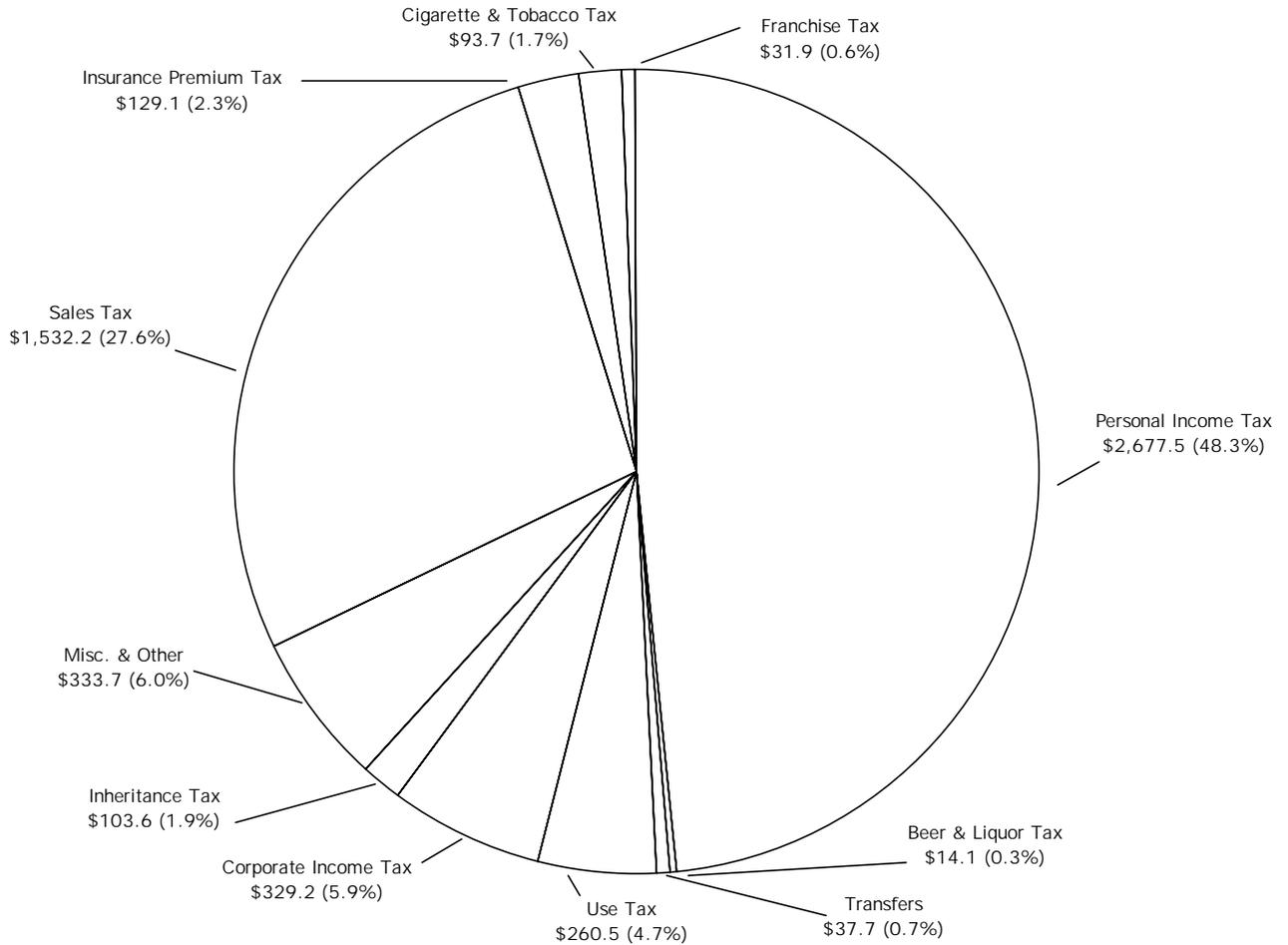
(Dollars in Millions)



Note: FY 2001 and FY 2002 figures are as estimated by the December 8, 2000, Revenue Estimating Conference. The amounts reflect tax revenues, other receipts, and transfers deposited to the General Fund. The amounts are not adjusted for tax refunds.

# FY 2002 ESTIMATED GENERAL FUND RECEIPTS

(Dollars in Millions)



Total Estimated FY 2002 General Fund Receipts: \$5,543.2 million

Note: As estimated by the December 8, 2000, Revenue Estimating Conference.

Total revenues, including transfers, prior to tax refunds.

Totals may not add due to rounding.

# FY 2001 - FY 2002 REVENUE PROJECTION FOR THE GENERAL FUND

(Dollars in Millions)

	FY 2000 Actual	% Change FY 2000 vs. FY 1999 Actual	FY 2001 Estimate	% Change FY2001 Est. vs. FY 2000 Actual	FY 2002 Estimate	% Change FY 2002 Est. vs. FY 2001 Estimate
<b>Tax Receipts</b>						
Personal Income Tax	\$2,375.9	6.4%	\$2,523.9	6.2%	\$2,677.5	6.1%
Sales Tax	1,416.6	2.8%	1,469.0	3.7%	1,532.2	4.3%
Use Tax	246.8	1.7%	253.0	2.5%	260.5	3.0%
Corporate Income Tax	326.1	1.3%	319.6	-2.0%	329.2	3.0%
Inheritance Tax	114.8	27.4%	103.1	-10.2%	103.6	0.5%
Insurance Premium Tax	120.2	5.2%	122.0	1.5%	129.1	5.8%
Cigarette Tax	91.1	-1.3%	90.5	-0.7%	87.2	-3.6%
Tobacco Tax	6.6	1.5%	7.2	9.1%	6.5	-9.7%
Beer Tax	13.6	3.8%	13.8	1.5%	14.1	2.2%
Franchise Tax	31.8	-5.9%	31.9	0.4%	31.9	-0.1%
Miscellaneous Tax	1.3	18.2%	1.3	3.3%	1.1	-18.1%
<b>Total Tax Receipts</b>	<b>4,744.8</b>	<b>4.8%</b>	<b>4,935.3</b>	<b>4.4%</b>	<b>5,172.9</b>	<b>4.8%</b>
<b>Other Receipts</b>						
Institutional Payments	49.7	0.0%	48.5	-2.4%	49.9	2.9%
Liquor Profits	36.0	11.5%	36.0	0.0%	36.0	0.0%
Liquor Gross Revenues	9.0	0.0%	9.0	0.0%	9.0	0.0%
Interest	26.0	-23.8%	20.0	-23.1%	20.0	0.0%
Fees	66.3	13.7%	65.7	-0.9%	65.3	-0.6%
Judicial Revenue	52.3	8.3%	56.0	7.1%	57.3	2.3%
Miscellaneous Receipts	52.7	-14.0%	44.8	-15.0%	35.1	-21.7%
Racing and Gaming	60.0	0.0%	60.0	0.0%	60.0	0.0%
<b>Total Other Receipts</b>	<b>352.0</b>	<b>-0.3%</b>	<b>340.0</b>	<b>-3.4%</b>	<b>332.6</b>	<b>-2.2%</b>
<b>Total Taxes &amp; Other Receipts</b>	<b>5,096.8</b>	<b>4.4%</b>	<b>5,275.3</b>	<b>3.5%</b>	<b>5,505.5</b>	<b>4.4%</b>
<b>Transfers</b>						
Lottery	37.1	5.1%	32.5	-12.4%	32.5	0.0%
Other Transfers *	4.5	28.6%	69.8	1451.1%	5.2	-92.6%
<b>Total Transfers</b>	<b>41.6</b>	<b>7.2%</b>	<b>102.3</b>	<b>145.9%</b>	<b>37.7</b>	<b>-63.1%</b>
<b>Total Receipts &amp; Transfers</b>	<b>5,138.4</b>	<b>4.5%</b>	<b>5,377.6</b>	<b>4.7%</b>	<b>5,543.2</b>	<b>3.1%</b>
<b>Tax Refunds</b>	<b>-520.2</b>	<b>1.9%</b>	<b>-532.5</b>	<b>2.4%</b>	<b>-555.0</b>	<b>4.2%</b>
<b>Net General Fund Receipts</b>	<b>\$4,618.2</b>	<b>4.8%</b>	<b>\$4,845.1</b>	<b>4.9%</b>	<b>\$4,988.2</b>	<b>3.0%</b>

\*FY 2001 includes \$64.6 million in Tobacco Settlement funds.

Note: The Revenue Estimating Conference estimated FY 2001 and FY 2002 General Fund revenues on December 8, 2000. The revenues are projected on a July 1 to June 30 fiscal year basis and do not reflect accruals.

## GOVERNOR'S FY 2002 GENERAL FUND RECOMMENDATION

The Governor's FY 2002 General Fund appropriation recommendation is \$5.020 billion, an increase of \$137.4 million (2.8%) compared to estimated FY 2001 (prior to any FY 2001 appropriation adjustments).

### FY 2001

- The Governor is recommending \$42.0 million in FY 2001 General Fund supplemental appropriation for K-12 teacher salaries. This increase in the Governor's FY 2001 spending results in a lower increase of FY 2002 growth to \$95.4 million (1.9%) compared to estimated FY 2001. If these funds were appropriated in FY 2002 the increased growth in expenditures would be \$179.4 million (3.7%) compared to estimated FY 2001.
- The Cash Reserve Fund and the Economic Emergency Fund is at the maximum balance of 5.0% of the General Fund revenue estimate or \$242.9 million in each Fund. An excess of \$149.6 million is to be transferred from the Economic Emergency Fund to the General Fund in FY 2001.

### FY 2002

- The Governor's FY 2002 General Fund budget recommendation proposes revenue changes resulting in a net revenue increase of \$69.5 million. The two largest revenue changes are; increase revenues by \$70.0 million by changing **gaming receipts** transfer from \$60.0 million to \$130.0 million, and decrease revenues by \$32.5 million by depositing **lottery revenue** into the Rebuild Iowa Infrastructure Fund (RIIF) account. Between these two changes an additional \$37.5 will go to the General Fund.
- Other major proposed revenue changes in the Governor's FY 2002 General Fund budget recommendation are listed below:
  - \$9.9 million of additional revenue from **Groundwater Fund Transfer**. The Governor has proposed that the Groundwater Protection Fund be merged into the Environment First Fund. The Department of Management estimates that this could allow an increase in General Fund revenues for fiscal year 2002 due to the fact that the large balance of cash in the Groundwater Protection Fund would not be needed for cash flow purposes.
  - \$9.4 million of additional revenue from **Accelerated Tax Gap Project**. The Governor is recommending that the Department of Revenue and Finance (DRF) accelerate the Tax Gap Compliance Project (DRF has partnered with a

vendor to identify potential tax non-compliance). It is proposed that the DRF's vendor in the project would dedicate additional staff to accelerate the production of tax gap leads. In addition, the DRF would dedicate additional resources for collection. This is a one-time increase in revenues by moving anticipated revenue from FY 2003 to FY 2002.

- \$3.0 million (\$1.0 million in FY 2001) of additional revenue from the **Waste Tire Management Fund**. The fund receives moneys from motor vehicle title surcharge fees and will sunset at the end of fiscal year 2002. The Code of Iowa provides that as the program begins to sunset, the revenues go to the Road Use Tax Fund. The Governor proposes that the motor vehicle title surcharge fees be deposited in the General Fund.
- The Governor's FY 2002 General Fund budget recommendation does not include funding for **salary increases** or annualization. Collective Bargaining negotiations are currently under way. The annualization cost for salaries will be high due to health insurance premium increases and the increased number mid-year step increases. If the cost of salary increases and annualization is the same as FY 2001 costs, there will be an additional 0.9% growth in appropriations. Depending upon the collective bargaining settlements, the annualization cost could be up to an additional 2.0% growth in appropriations.
- The Governor's projected ending balance for FY 2002 is \$143.7 million compared to \$93.5 million in FY 2001, an increase of \$50.2 million. The Governor's recommendation projects that an excess of \$71.8 million will be transferred from the Economic Emergency Fund to the General Fund in FY 2002. This is a decrease of \$77.8 million compared to the FY 2001 transfer.

**Table 1** lists the General Fund increases and decreases of \$1.0 million or more recommended by the Governor for FY 2002.

Table 1 - Governor's Major General Fund Decreases/Increases Recommendations

<u>Department</u>	<u>Appropriation</u>	<u>Estimated FY 2001</u>	<u>Gov. Rec. FY 2002</u>	<u>Diff. Gov. Rec. v. FY 2001</u>	<u>% Change Gov. v. FY01</u>
Revenue	Machinery/Equip Prop Tax	\$ 41,400,000	\$ 27,800,000	\$ -13,600,000	-32.9%
Revenue	Municipal Fire & Police Retire	2,942,726	0	-2,942,726	-100.0%
Education	National Cert. Stipend	1,380,000	0	-1,380,000	-100.0%
Education	State Library	3,172,038	1,819,616	-1,352,422	-42.6%
Human Services	Glenwood Resource Center	3,735,483	2,658,458	-1,077,025	-28.8%
<i>Total Decreases &gt; \$1.0 Million</i>		<u>\$ 52,630,247</u>	<u>\$ 32,278,074</u>	<u>\$ -20,352,173</u>	
Education	School Foundation Aid	\$ 1,747,500,000	\$ 1,806,500,000	\$ 59,000,000	3.4%
Human Services	Medical Assistance	400,662,028	436,000,000	35,337,972	8.8%
Education	Early Intervention Block Grant	20,000,000	30,000,000	10,000,000	50.0%
Judicial Branch	Judicial Branch	111,913,805	120,228,487	8,314,682	7.4%
Human Services	State Children's Health Ins	4,984,508	10,807,951	5,823,443	116.8%
Human Services	MH/DD Growth Factor	20,982,446	26,492,712	5,510,266	26.3%
Human Services	Field Operations	53,382,055	58,623,333	5,241,278	9.8%
Human Services	Child & Family Services	108,788,161	113,971,633	5,183,472	4.8%
Education	MAS - General Aid	147,577,403	152,577,403	5,000,000	3.4%
Regents	Iowa State: Gen. University	202,542,309	205,542,308	2,999,999	1.5%
Management	Federal Over Billing	0	2,000,000	2,000,000	100.0%
Personnel	Worker's Compensation	0	1,800,000	1,800,000	100.0%
Human Services	Family Investment Program	35,545,738	36,798,958	1,253,220	3.5%
Veterans Affairs	Iowa Veterans Home	47,300,942	48,544,881	1,243,939	2.6%
Human Services	MI/MR State Cases	13,308,845	14,500,000	1,191,155	9.0%
College Aid	Tuition Grant Program	48,830,075	49,930,075	1,100,000	2.3%
Corrections	CBC District IV	3,178,085	4,240,315	1,062,230	33.4%
Education	Enrich Iowa Libraries	1,000,000	2,000,000	1,000,000	100.0%
<i>Total Increases &gt; \$1.0 Million</i>		<u>\$ 2,967,496,400</u>	<u>\$ 3,120,558,056</u>	<u>\$ 153,061,656</u>	
Total Other Changes		<u>\$ 1,862,228,675</u>	<u>\$ 1,866,947,361</u>	<u>\$ 4,718,686</u>	0.3%
<b>Grand Total</b>		<u><u>\$ 4,882,355,322</u></u>	<u><u>\$ 5,019,783,491</u></u>	<u><u>\$ 137,428,169</u></u>	2.7%



The Governor's FY 2002 General Fund recommendations are listed in **Table 2** by Appropriations Subcommittee. Details of the recommendations are included in the FY 2002 Budgets and Subcommittee Issues Section of this document, and a tracking document of all the Governor's appropriations recommendations is in Appendix A.

**Table 2**  
**Governor's FY 2002 General Fund Recommendations**

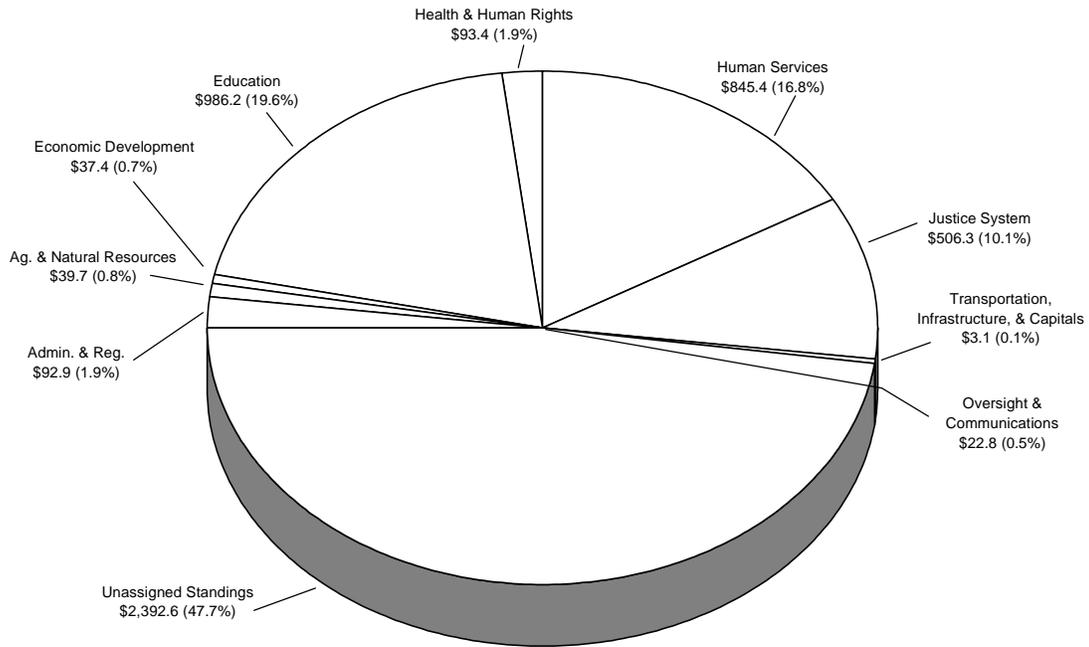
(Dollars in Millions)

<u>Subcommittee</u>	<u>Est.</u> <u>FY 2001</u>	<u>Gov.</u> <u>Rec.</u> <u>FY 2002</u>	<u>FY 2002</u> <u>vs.</u> <u>FY 2001</u>	<u>%</u> <u>Change</u>
Administration & Regulation	\$ 87.2	\$ 92.9	\$ 5.8	6.6%
Agriculture & Natural Resources	44.5	39.7	-4.8	-10.8%
Economic Development	37.5	37.4	-0.1	-0.2%
Education	980.0	986.2	6.2	0.6%
Health & Human Rights	91.2	93.4	2.1	2.3%
Human Services	786.1	845.4	59.2	7.5%
Justice System	490.8	506.3	15.4	3.1%
Trans., Infrastructure, & Capitals	3.1	3.1	0.0	-0.1%
Oversight & Communications	22.9	22.8	-0.1	-0.2%
Unassigned Standings	2,339.0	2,392.6	53.6	2.3%
<b>TOTAL</b>	<u>\$ 4,882.4</u>	<u>\$ 5,019.8</u>	<u>\$ 137.4</u>	<u>2.8%</u>

Note: The dollar amounts may not add due to rounding.

# FY 2002 GENERAL FUND GOVERNOR'S RECOMMENDATIONS

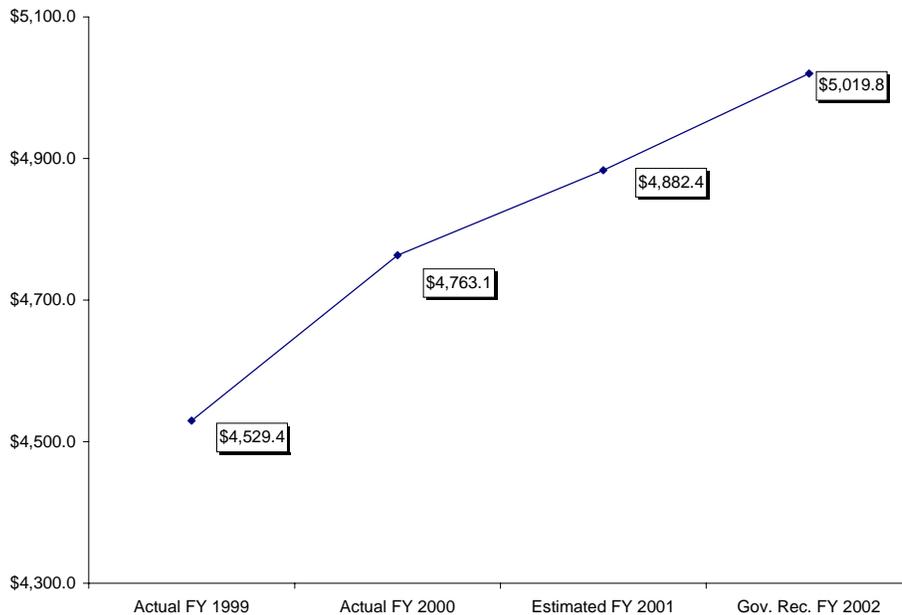
**Total FY 2002 Recommendations: \$5,019.8 million**  
(Dollars in Millions)



Totals may not add due to rounding.

## Appropriations and Governor's Recommendations FY 1999 - FY 2002

(Dollars in Millions)



# SALARIES AND COLLECTIVE BARGAINING

The State of Iowa is currently negotiating with the unions representing State employees for the salaries and benefits for FY 2002 and FY 2003. Chapter 20, Code of Iowa, establishes the framework and timeline for the bargaining process. The basic deadlines are:

- September through December 2000 - Unions and the State present initial proposals.
- January through March 2001 - Subsequent bargaining sessions which may include the appointment of a mediator, fact finding, and binding arbitration.
- March 15, 2001 - Deadline for completion of the agreement.



The following table is a summary of the opening offers of the various collective bargaining units and the State's response. The table contains only a summary of the major points. Copies of the opening offers are available from the Legislative Fiscal Bureau upon request. The guideline for cost is that each 1.0% increase in salaries for all State employees costs the General Fund \$10.0 million.

❖ The Governor has not recommended an amount for salary adjustment, pending final negotiations of the collective bargaining units.

## FY 2002 & FY 2003 COLLECTIVE BARGAINING OPENING OFFERS SUMMARY

Bargaining Unit	Wages	Benefits
<b>Initial offer by American Federation of State, County, and Municipal Employees (AFSCME)</b>	<ul style="list-style-type: none"> <li>• 7.0% across-the-board increase both years.</li> <li>• Steps for eligible employees.</li> <li>• Increase deferred compensation match from \$300 to \$600 per year.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase State contribution to family health insurance from 70.0% to 80.0% starting calendar year (CY) 2002.</li> <li>• Include domestic partners in family health insurance coverage.</li> <li>• Increase State contribution to family dental insurance from 50.0% to 80.0%.</li> <li>• State shall provide vision benefits; free to single employees and pay 80.0% of the cost of a family plan.</li> <li>• Increase basic life insurance from \$10,000 to \$20,000 and decrease maximum additional insurance from \$40,000 to \$30,000.</li> <li>• Employees with 10 years seniority receive a cash payment of 60.0% of accumulated sick leave upon leaving State employment.</li> <li>• No maximum accrual of vacation hours.</li> <li>• 10.0% of current contracted work shall be converted to collective bargaining work.</li> <li>• Increase the number of pay classes to be reviewed.</li> </ul>

Bargaining Unit	Wages	Benefits
<b>State response to AFSCME</b>	<ul style="list-style-type: none"> <li>• 1.0% across-the-board increase both years.</li> <li>• Step increases based upon competent performance.</li> <li>• The employer will allocate 0.3% of salaries for individual performance increases.</li> </ul>	<ul style="list-style-type: none"> <li>• Family plan employees and State share equally in health insurance premium increases for CY 2003.</li> <li>• Eliminate the pay grade reviews.</li> </ul>
<b>Initial offer by American Federation of State, County, and Municipal Employees (AFSCME) - Judicial</b>	<ul style="list-style-type: none"> <li>• 7.0% across-the-board increase both years.</li> <li>• Steps for eligible employees.</li> <li>• Additional 8<sup>th</sup> step added to pay plans starting FY 2002 and an additional 9<sup>th</sup> step added to pay plans starting FY 2003.</li> <li>• Increase deferred compensation match from \$180 to \$600 per year.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase State contribution to family health insurance from 70.0% to 80.0% starting CY 2002.</li> <li>• Include domestic partners in family health insurance coverage.</li> <li>• Increase State contribution to family dental insurance from 50.0% to 80.0%.</li> <li>• State shall provide vision benefits; free to single employees and pay 80.0% of the cost of a family plan.</li> <li>• Increase basic life insurance from \$10,000 to \$20,000 and decrease maximum additional insurance from \$40,000 to \$30,000.</li> <li>• Employees with 10 years seniority receive a cash payment of 60.0% of accumulated sick leave upon leaving State employment.</li> <li>• No maximum accrual of vacation hours.</li> <li>• Increase holidays from 11 to 12.</li> <li>• 10.0% of current contracted work shall be converted to collective bargaining work.</li> </ul>
<b>State response to Judicial AFSCME</b>	<ul style="list-style-type: none"> <li>• 1.0% across-the-board increase both years.</li> <li>• Step increases based upon competent performance.</li> <li>• The employer will allocate 0.3% of salaries for individual performance increases.</li> </ul>	<ul style="list-style-type: none"> <li>• Family plan employees and State share equally in health insurance premium increases for CY 2003.</li> </ul>
<b>Initial offer by State Police Officers Council (SPOC)</b>	<ul style="list-style-type: none"> <li>• 5.0% across-the-board increase both years.</li> <li>• Steps for eligible employees.</li> <li>• Expand longevity pay definition to include peace officers in the Department of Public Safety.</li> <li>• Establish a \$1 for \$2 deferred compensation match program. This could amount to approximately \$4,000 per year state contribution.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase basic life insurance from \$10,000 to \$25,000.</li> <li>• Increase per diem allowance from \$7.50 to \$10.00 per day.</li> <li>• Increase for uniform cleaning pay.</li> </ul>
<b>State response to SPOC</b>	<ul style="list-style-type: none"> <li>• 1.0% across-the-board increase both years.</li> <li>• Step increases based on review date.</li> <li>• The employer will allocate 0.3% of salaries for individual performance increases.</li> </ul>	
<b>Initial offer by Iowa United Professionals (IUP)</b>	<ul style="list-style-type: none"> <li>• 7.0% salary increase each year of the biennium.</li> <li>• Add six one-year step intervals to the pay plan, worth 5.0% each.</li> <li>• Steps for eligible employees.</li> <li>• Establish a \$2 for \$1 deferred compensation match program. This could amount to approximately \$4,000 per year state contribution.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase State contribution to family health insurance to 80.0%.</li> <li>• Sick leave upon retirement can be converted at current value to pay the cost of life or health insurance.</li> <li>• Establishment of a pre-tax medical reimbursement account.</li> </ul>
<b>State response to IUP</b>	<ul style="list-style-type: none"> <li>• 1.0% across-the-board increase both years.</li> <li>• Step increases based on review date.</li> <li>• Employer will contribute \$0.03 per hour towards an employee training fund.</li> </ul>	<ul style="list-style-type: none"> <li>• Family plan employees and State share equally in health insurance premium increases for CY 2003.</li> </ul>

Bargaining Unit	Wages	Benefits
<b>Initial offer by</b> <b>United Faculty (UF) -</b> <b>University of</b> <b>Northern Iowa</b>	<ul style="list-style-type: none"> <li>• 8.5% salary increase each year of the biennium.</li> <li>• Minimum salary guideline increases of 10.0% each year.</li> </ul>	<ul style="list-style-type: none"> <li>• \$100 per month paid optional insurance coverage.</li> <li>• Increase life insurance from 2.5 times salary to 3.0 times salary.</li> </ul>
<i>State response to UF</i>	<ul style="list-style-type: none"> <li>• <i>Status quo with a zero percent salary increase.</i></li> <li>• <i>Elimination of the minimum salary guidelines.</i></li> </ul>	
<b>Initial offer by</b> <b>Committee to</b> <b>Organize Graduate</b> <b>Students (COGS) -</b> <b>State University of</b> <b>Iowa</b>	<ul style="list-style-type: none"> <li>• 10.0% salary increase each year of the biennium.</li> </ul>	<ul style="list-style-type: none"> <li>• Tuition waivers for all unit members.</li> <li>• Reimbursement of up \$250 per month for child care costs.</li> <li>• Increase State contribution to health insurance for families from approximately 70.0% to 85.0%.</li> </ul>
<i>State response to COGS</i>	<ul style="list-style-type: none"> <li>• <i>Status quo salary with zero percent salary increase.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>No tuition waiver.</i></li> <li>• <i>No increased child care payments.</i></li> <li>• <i>Status quo on health insurance.</i></li> </ul>
<b>Initial offer by</b> <b>Service Employees</b> <b>International Union</b> <b>(SEIU) - State</b> <b>University of Iowa</b> <b>Hospitals</b>	<ul style="list-style-type: none"> <li>• 7.0% salary increase each year of the biennium.</li> <li>• Increase shift differentials from \$1.25 per hour to 25.0% of the employee hourly rate.</li> <li>• Increase standby pay from 10.0% of hourly rate to 25.0% of hourly rate.</li> </ul>	
<i>State response to SEIU</i>	<ul style="list-style-type: none"> <li>• <i>Status quo salary with zero percent salary increase.</i></li> </ul>	

# CRITERIA FOR EVALUATION OF TAX POLICIES

Several policy options relating to various taxes have been proposed by members of the General Assembly. The following are eight criteria that can help shape and explain any plan that may be under consideration. Although most of the provided examples relate to the individual income tax, the criteria can be utilized in the development of any proposed change to the State and local tax system.

## SIMPLIFICATION

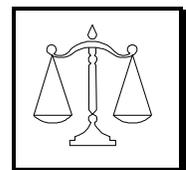
The simplification concept applies to both the State and the taxpayers; that is, initiating changes that ease administrative burdens on the State and also ease compliance efforts on the part of taxpayers. Options relating to the individual income tax include:



- Coupling the federal tax code, which could be done either in the form of piggy-backing (taxpayers pay a percentage of their federal tax); or coupling federal taxable income (the State would use the federal definition of “taxable income” and apply new rates and brackets).
- Initiating a flat tax, which may involve starting with federal adjusted gross income (AGI). Typically, complexity relating to the definition of “taxable income” is substantially more difficult to comply with and administer than complexity relating to rates and brackets. Thus, the General Assembly may wish to utilize a simple definition of taxable income (such as AGI) and apply a new set of brackets and rates.
- Virtually anything the State does to increase the extent to which Iowa tax law couples federal tax law will render the system simpler, although doing so may have undesirable consequences relating to the other criteria.

## EQUITY

The concept of equity implies that “equals” should be treated similarly and “unequals” may need to be treated dissimilarly. This concept relates more specifically to how similar individuals in different income classes are taxed; and how dissimilar individuals within the same income class are taxed. The General Assembly may wish to consider specific tax policy related to this issue. Income tax examples that might fall into this area of consideration include: the standard deduction, earned income tax credit, rate structure, dependent exemption, pension taxation, and the tuition/textbook credit.



## **COMPETITIVENESS**

It is not known to what extent, if any, the Iowa individual income tax encourages individuals and businesses to migrate into or out of the State. A cross-state comparison analysis has shown that the variance in actual income tax liability is probably too small to have a significant impact. However, if the top rate (rather than actual tax) is resulting in the perception that the Iowa individual income tax is out of line with other states, the General Assembly may wish to consider lowering the rate. The rate could be lowered either in a manner that is revenue neutral or in a manner that results in revenue loss. The options under the simplification section would all have the effect of reducing the top marginal rate.

## **REVENUE STABILITY/RESPONSIVENESS**

The General Assembly may wish to consider actions that could be taken to maintain or improve the stability or responsiveness of individual income tax revenues. An example includes reviewing the effects of the deduction for federal income taxes paid. Specifically, when the federal government increases taxes, federal deductibility results in a decrease in Iowa tax revenues. Conversely, when the federal government decreases taxes, Iowa taxpayers receive a smaller reduction than taxpayers in states without federal deductibility since State income taxes increase.



Stability and responsiveness, however, are often mutually exclusive. A stable tax system is one that maintains consistent revenue streams throughout the business cycle, so that recessions do not result in shortfalls, and expansions do not result in unnecessary surpluses. Responsiveness to the business cycle can be beneficial when strong economic expansion increases government revenues so that increased demand for government services is satisfied. Thus, highly responsive systems tend to be unstable, and highly stable systems tend to be unresponsive. The purpose of a broad-based, multi-tax system is to help balance these two competing goals, such that economic expansions provide sufficient growth in revenues, but contractions do not result in budgetary shortfalls. However, such a system may add complexity.

## **NEUTRALITY**

Neutrality relates to economic efficiency. Changes in tax policy should not cause undo interference in the economic decisions of individuals and businesses. In other words, the administration of the tax should not inadvertently affect the decisions that individuals make with respect to buying or producing a given mix of goods and services.

Exceptions arise when markets function poorly. The State can either tax or regulate an industry so that the true costs of the product are reflected in the price. A good example is taxing (or regulating) emissions from a smokestack. This will

result in an increase in price and a decrease in sales of the item being produced. However, in this case, the tax adds efficiency because neighbors of the smokestack no longer are required to bear the cost of the pollution.

In general, however, a neutral tax policy will maximize the output of the State economy and produce the most goods and services at the least price.

### **EXPORTABILITY**

Exportability relates to shifting the tax burden to other states. All things being equal, any state would prefer to export the tax burden to residents of other states. However, this often results in competitiveness problems. In some ways, state tax deductibility affects exportability. When Iowa increases income taxes, the burden is shifted to the federal government, because State taxes are an itemized deduction. When Iowa decreases income taxes, the State revenue loss exceeds taxpayer gains for the same reason (the tax burden is imported).

### **REVENUE ADEQUACY**

Revenue adequacy of the tax system relates more to the tax system as a whole, but the income tax is the largest contributor. This criteria emphasizes the importance of overall State fiscal policy so that tax reductions are viewed within the context of the appropriations process.

### **ACCOUNTABILITY**

Accountability relates to the extent to which a tax system is transparent, so that tax increases and tax decreases are the result of direct government action rather than an automatic process. Accountability also refers to the portions of the tax system that are formula driven and thus subject to little or no legislative oversight, such as open-ended exemptions or deductions that may have the effect of eroding the tax base.



For example, during the 1996 Legislative Session, the General Assembly improved the accountability (transparency) of the individual income tax by approving full indexation of the tax brackets. Prior to indexing, an individual's tax liability could increase with wage inflation, even though the purchasing power of the individual's wages did not change. This process is often referred to as "bracket creep."

## FY 2002 TAX ISSUES

### Deductibility of Federal Income Taxes

Iowa allows full deductibility of federal personal income taxes from State income tax liability. Iowa is one of nine states that allow either full or partial federal deductibility. This is the primary reason for Iowa's comparatively high top marginal rate of 8.98%. Since 100.0% of federal income taxes paid in a year are deductible in calculations of taxable income (both for those taxpayers itemizing their deductions or taking the standard deduction), the marginal rates are significantly higher than would be the case without federal deductibility. The following shows the tax year 1997 breakdown of Iowa tax returns by residents and non-residents (married filing separate on a combined return is counted as one return):



- Residents:
  - Number of returns = 1,234,000
  - Federal tax deduction claimed = \$5.870 billion
  - Taxable income after federal deductibility = \$32.669 billion
  - Reduction in taxable income due to federal deductibility = \$4,757 per return (18.0%)
- Non-Residents:
  - Number of returns = 109,000
  - Federal tax deduction claimed = \$2.762 billion
  - Taxable income after federal deductibility = \$9.738 billion
  - Reduction in taxable income due to federal deductibility = \$25,221 per return (28.4%)

There has been significant discussion regarding the elimination of federal deductibility. It has been advanced that the higher apparent (versus effective) tax rate hurts Iowa's ability to attract and retain higher income individuals. Several national comparisons of tax burden have characterized Iowa's rates as one of the nation's highest, even though after adjusting for federal deductibility Iowa's tax rates rank somewhere between 20<sup>th</sup> and 30<sup>th</sup> nationally depending on the year in question.

The elimination of federal deductibility without reducing tax rates would result in significant revenue gains for the State. Nearly all proposals to eliminate federal deductibility would take the additional revenue generated and reduce rates so that the elimination of the deduction would not adversely impact taxpayers or raise additional State revenue. It is possible to reduce rates so individual income classes of taxpayers (for instance, the \$50,000 to \$75,000 income class) are, as a whole,



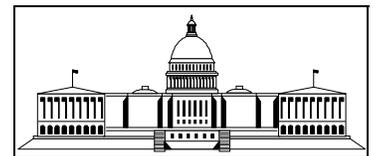
not adversely affected. However, it is nearly impossible (and expensive) to insure that no single taxpayer pays more than would be the case if federal deductibility were not eliminated. For example, there are a number of taxpayers in a given year that will have an abnormally high federal income tax deduction for a variety of reasons. Sales of significant assets or realization of one-time income that result in a large federal tax liability also result in a large federal tax deduction on the Iowa income tax return. Past reviews of federal deductibility have shown that to hold nearly all taxpayers harmless would require an additional \$200.0 to \$250.0 million each year.

Even though in any single year a number of taxpayers would have increased tax liability, it does not necessarily mean that over several tax years these individuals would have an increased State tax liability. This is due to significant one-time events that have raised the taxpayers' federal tax liability (and hence their federal income tax deduction on their State returns), events that will likely not occur in future years. This is not to say that in the following year there will not be an entirely different group of taxpayers who will be adversely affected, even though over a number of tax years they would have a net benefit due to the elimination of federal deductibility.

Four questions should be asked of any proposal to eliminate federal deductibility. First, what is the revenue impact to the State? Second, is there a shift in tax burden between income classes? Third, are all taxpayers held harmless or just the taxpayers as an overall income class held harmless? Fourth, if the answer to the third question is the income class is not adversely affected, then what is the impact for those individual taxpayers adversely affected in a single year when observed over a number of years? Unfortunately, it is very difficult to determine with any certainty the answer to the fourth question. Iowa does not maintain the long-term sample of taxpayers that is necessary to determine the answer to this question.

### **Federal Legislation**

Much discussion has occurred at the federal level concerning elimination of the federal estate tax. The 2000 Congress passed a phased-in repeal of the tax, but the President vetoed the Bill. Iowa and every other state have a financial interest in this issue. Under current federal estate tax law, taxpayers receive a dollar-for-dollar credit against their federal estate tax liability for state estate and inheritance tax payments up to a specified amount. The maximum amount of the credit varies by the size of the estate. This credit is commonly called a "pick up tax". Iowa currently collects approximately \$100.0 million in inheritance tax each year. Of this amount, \$30.0 to \$35.0 million is the result of



Iowa's pick up tax and would most likely not be received if the federal estate tax were repealed.

### **Streamlined Sales Tax Project**

Iowa is one of 30 states participating in a nationwide effort to simplify the current system of sales tax assessment and collection. The goal of the Streamlined Sales Tax Project was to develop model state legislation to implement a system that radically simplifies sales and use taxes payment and administration.

The Project steering committee met for more than a year. The final meeting was held November 28 and 29, 2000, in Chicago and model legislation entitled "Uniform Sales and Use Tax Administration Act" was released on December 6. The document is available at the organization's web site [www.streamlinedsalestax.org](http://www.streamlinedsalestax.org).

The proposed model legislation is designed to provide standard definitions of products for use in determining what is subject to a sales tax. Manufacturers and retailers hope that a more standardized system will cut down on the amount of time and money spent complying with the large number of state and local sales tax laws around the country.

If Iowa alters sales tax laws in order to conform to the model legislation, there could be a positive or negative impact on General Fund revenues, depending on the types of changes implemented in Iowa and other states.

One outcome of the Project could be the development of a system of uniform Internet taxation. Since sales and use taxes represent one-third of Iowa's General Fund revenues (after refunds), this issue is important to Iowa's long-term fiscal health. Internet and catalog sales are projected by Moody's Investor Services to reduce sales tax income of all states by a total of \$10.0 billion by FY 2003.

### **Energy Price Increases and Sales Tax**

Recent shortages of natural gas and home heating oil have lead to sharp increases in energy prices, which are projected to significantly raise the cost of winter heating in Iowa. A sizable increase in home heating costs means Iowans will pay more to heat their homes and the State will receive more income in utility sales tax than usual. The following is based on Iowa energy usage as reported by the Energy Information Administration of the United States Department of Energy. The projected usage figures represent an average Iowa winter, defined as the average energy usage over the last six years.

- If calendar year 2001 is an average consumption and price year, Iowa residential consumers will pay \$1.710 billion for energy utility costs (this number includes natural gas, propane, electricity, home heating oil, and other minor sources) for the year. The State would collect \$85.5 million in sales tax.
- If consumption is average and the commodity price of natural gas, propane, kerosene, and heating oil double during the winter months the delivered price will increase 30.0%, and Iowans will spend an additional \$71.9 million (an increase of 8.0%), and the State will collect an additional \$6.8 million in sales tax.

There are several reasons why a doubling of the commodity prices would only produce an 8.0% rise in consumer costs and utility sales tax receipts.

- The commodity price is only a portion of the delivered price. The other costs included in the delivered price are not projected to increase.
- The largest commodity price increases are only projected for the winter months.
- In Iowa, coal plants generate the large majority of electricity and the cost of coal is not projected to increase, therefore, the cost of electricity is not projected to increase.

The preceding discussion does not include industrial or commercial energy expenses and sales taxes. Also, if energy usage during the 2001 winter were significantly different than the average for the past six years, then the amount of expenditures and taxes would be significantly different.

# PROPERTY TAX ISSUES

## Property Tax Relief



Major property tax relief programs have been created since FY 1996. **Figure 1** summarizes the property tax relief expenditures and projects the cost of each program through FY 2002. Full funding of the homestead, elderly, and military property tax credits is not included because the amount of funding for property tax relief cannot be determined. A discussion of the credits follows this section. Below is a description of each program.

**Figure 1**  
**Projected State Funded Property Tax Relief**  
(Dollars in Millions)

	<u>Actual FY 1996</u>	<u>Actual FY 1997</u>	<u>Actual FY 1998</u>	<u>Actual FY 1999</u>	<u>Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Estimated FY 2002</u>
Machinery and Equipment	\$ 0.0	\$ 6.9	\$ 11.3	\$ 17.1	\$ 22.5	\$ 43.7	\$ 27.8
Mental Health Property Tax Relief	61.0	78.0	95.0	95.0	95.0	95.0	95.0
School Foundation Level	<u>0.0</u>	<u>84.8</u>	<u>88.0</u>	<u>91.9</u>	<u>111.6</u>	<u>123.1</u>	<u>145.1</u>
<b>Total</b>	<u>\$ 61.0</u>	<u>\$ 169.7</u>	<u>\$ 194.3</u>	<u>\$ 204.0</u>	<u>\$ 229.1</u>	<u>\$ 261.8</u>	<u>\$ 267.9</u>

## Machinery and Equipment (M&E)

- The property tax on new M&E was repealed during the 1995 Legislative Session (SF 69, Property and Income Tax Reduction Act), retroactive to all M&E purchases made since January 1, 1994.
- The taxable value of M&E purchased prior to January 1, 1994, is being phased out over a four-year period beginning in FY 2001, such that the taxable value on all M&E will be zero beginning in FY 2004.
- Local governments receive reimbursement for the difference between the base year (FY 1996) M&E valuation and actual valuation for each year through FY 2001. For FY 2002 through FY 2006, the State reimbursement will be reduced to the extent that commercial and industrial valuation have grown since FY 1996. There will be no State reimbursement in FY 2007 and subsequent



fiscal years. Reimbursements will be paid from a standing unlimited appropriation to the M&E Property Tax Replacement Fund.

The theory behind the original legislation was elimination of the tax on M&E would spur additional commercial and industrial growth which over time would offset the revenue loss to local governments from the M&E exemption. While it is true that statewide over a 10-year period, the growth in commercial and industrial classes of property will offset the loss of value from exempting M&E, this is not necessarily the case for an individual taxing authority (i.e., cities, school district, etc.) or an individual taxing district (the lowest geographic entity with a common consolidated tax levy rate).

The 1999 General Assembly in Section 87 of SF 136 (Machine, Equipment, and Computer Property Tax Act) directed the Department of Economic Development (DED) to review the impact of the M&E legislation on various taxing authorities and report in January 2000 to the General Assembly. This final report was issued March 1, 2000. Observations from this report are quoted as follows:



- The M&E tax elimination appears to be working. Through 1998, statewide commercial and industrial valuation has grown by \$4.1 billion (24.0%) compared to a decline in the valuation of M&E property of \$611.0 million. The net growth in taxable valuation of \$3.5 billion amounts to approximately \$109.0 million in additional tax revenue to local governments. At the county level, only 4 counties will still have a net loss of property tax valuation by 1998.
- By establishing the replacement claim jurisdiction at the tax district level, the M&E tax elimination legislation guarantees a much larger state financial obligation. If the jurisdiction for determining replacement claims had been set at the county level and not the taxing district, and had the legislation stipulated that M&E losses be offset by C&I gains immediately, the state outlay for assessment year 1998 would have been about \$1.5 million rather than the \$23 million that was paid.
- It appears that the largest share of the money goes to a small number of taxing districts. According to the model developed to complete this report, of the 718 districts expected to have claims in 2004, ten of those are expected to claim 51% of the funds. Two of these are TIFs, and 2 have 1998 tax rates of less than \$22/1000, considerably below the estimated average tax rate of \$31/1000. Beginning in 2001, the 20 highest claiming districts remain relatively unchanged.

Conclusions from this report include:

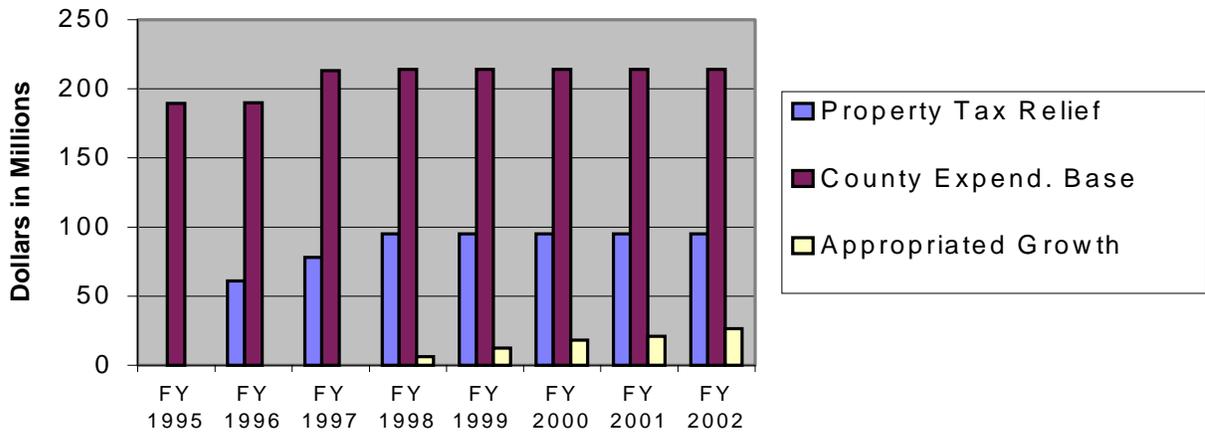
- The current legislation will result in substantial state outlays to counties and communities with slow growing tax districts because reimbursement is determined on the basis of a tax district and not on the basis of a tax authority.
- Large amounts of the replacement fund are going to taxing districts which are charging their own property taxpayers rates that are substantially below the rates of other districts across the state.
- Some districts are TIFed and yet qualify to claim replacement funds.
- An extension of the current legislation will not appreciably reduce the state outlays or remedy the problems in those few communities where slow economic growth has been a persistent issue.
- The magnitude of the projected state outlays is considerably higher than that which had been projected by the LFB in 1997 and in mid-1999 because of the issue of the claiming jurisdiction.

### **Property Tax Relief Fund (Mental Health)**

- The Property Tax Relief Fund was created by SF 69 (Property and Income Tax Reduction Act) during the 1995 Legislative Session.
- A standing limited appropriation was established, including a three-year phased-in approach to complete the State share. The following chart details annual appropriations from FY 1996 through FY 2002. The State share includes \$6.6 million annually for services for mentally retarded children which is transferred from the Property Tax Relief Fund to the Department of Human Services.

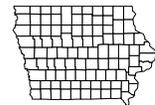
Figure 2

**Property Tax Relief Funding History**



Note: The FY 2002 Appropriations for Property Tax Relief and the County Expenditure Base are assumed at the FY 1998 rate. Senate File 2452 (FY 2001 Standing Appropriations Act) appropriated \$26.5 million for FY 2002 growth, which is a growth rate of 2.3%. The growth rate for FY 2003 is scheduled to be appropriated during the 2001 Legislative Session.

- Mental health funding in each county is limited to a base year amount. The appropriation of \$95.0 million was originally set as 50.0% of the FY 1996 county base expenditures of \$189.9 million. In FY 1997, counties were allowed to choose a base year from among the fiscal years 1994 through 1996. The adjustment added \$23.4 million to gross county spending within the county Mental Health/Mental Retardation/Developmental Disabilities (MH/MR/DD) Services Fund compared to the base of \$189.9 million. In FY 1998, counties were allowed to make corrections to the base year expenditures for items previously funded with county general funds and not included in the Mental Health/Mental Retardation/Developmental Disabilities (MH/MR/DD) Services Fund. Total adjustments of \$1.1 million were made by three counties, for a total adjusted county base of \$214.4 million.



- During the 2000 General Assembly, SF 2452 (FY 2001 Standing Appropriations Act) permitted counties to adjust a county's base year expenditure due to expenditures for acquisition of a capital asset effective July 1, 2001. Counties had until December 1 to adjust the base.
- The first \$6.6 million of Property Tax Relief for mental health is annually transferred to the Department of Human Services for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) costs for children. An additional \$6.5

million was appropriated to the Department of Human Services for these same costs in FY 2000.

- The Property Tax Relief and appropriated growth will be distributed to counties in FY 2002 based on the following formula:

**Figure 3**  
**FY 2002 Distribution Formula**

<u>Property Tax Relief</u>	<u>Allowed Growth</u>
<ul style="list-style-type: none"> <li>• 1/3 on the county's share of State population</li> <li>• 1/3 on the county's share of all counties' base year expenditures</li> <li>• 1/3 on the county's share of State's total taxable property valuation assessed for taxes payable in FY 1998</li> </ul>	<ul style="list-style-type: none"> <li>• \$12.0 million for inflation distributed as follows:               <ul style="list-style-type: none"> <li>• 75.0% based upon the county's share of State population.</li> <li>• 25.0% based upon each county's previous fiscal year expenditures for MH/MR/DD services.</li> </ul> </li> <li>• \$10.5 million for a Target Pool. Counties having maximum mental health levies and below the 75<sup>th</sup> percentile of per capita expenditures are eligible.</li> <li>• \$2.0 million for an Incentive and Efficiency Pool.</li> <li>• \$2.0 million for a Risk Pool.</li> </ul>

- The General Assembly may wish to consider the following during the 2001 Legislative Session:
  - Review county expenditures since the beginning of property tax relief funding, the amounts of the individual county levies for the Mental Health/Mental Retardation/Developmental Disabilities Services Fund, and the balances for the counties' Services Fund.
  - Review local services provided in the State in lieu of a mandated minimum service level.
  - Review proposals for the FY 2003 allowable growth appropriation and other proposed State funding changes.

### School Foundation Level

- In the 1996 Legislative Session, the regular program foundation level was raised from 83.0% to 87.5%. Raising the foundation level increased State aid and reduced property taxes for local school districts by \$84.8 million in FY 1997. In general, school districts with the lowest taxable valuation received the biggest tax rate decrease.
- Additional property tax relief was provided by the 1999 General Assembly by raising the foundation level for the special education portion of regular program costs from 79.0% to 87.5%. In addition, funding for talented



and gifted was shifted from being covered 100.0% by property taxes to being funded under the foundation formula. This has resulted in 87.5% of talented and gifted program funding now being covered by State aid.

- The foundation level can be raised for future property tax decreases. Increasing the regular program foundation level by 1.0% would increase State aid and reduce property taxes by \$22.5 million. Increasing the special education foundation level by 1.0% would increase State aid and reduce property taxes by \$3.0 million.

### Property Tax Credits

The major property tax credits include the homestead tax credit, agricultural land tax credit, family farm tax credit, military service tax exemption, and various low-income elderly credits. **Figure 4** shows the amounts claimed by taxpayers and the amounts paid by the State, based on FY 2000 payments. For the homestead, military, and elderly credits, local governments pay the difference between the amount claimed and the State payment. For the agricultural credits, taxpayers receive pro-rated shares of the State payment.



Figure 4

#### Local Government Claims and Payments (Dollars in Millions)

FY 2000	Amount Claimed	Amount Paid by State	Additional Cost of Full State Funding
Homestead Credits	\$ 114.20	\$ 112.00	\$ 2.20
Agriculture Land Credits	95.83	29.10	66.73
Family Farm Credits	41.97	10.00	31.97
Military Service Tax Exemption	13.00	2.66	10.34
Elderly Credits			
Rent Reimbursement	9.12	9.12	0.00
Property tax	5.70	5.70	0.00
Mobile homes	0.11	0.11	0.00
Special Assessments	0.04	0.04	0.00
Elderly Credit Total	14.97	14.97	0.00
Total	\$ 279.97	\$ 168.73	\$ 111.24

## Homestead, Elderly, and Military Service Property Tax Credits

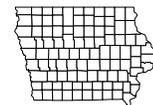
During the 1997 Session, the Legislature passed HF 726 (Tax Credits and Exemptions – Local Budget Practices – Property Tax Statements Act) which requires new property tax credits or exemptions to be fully funded by the State. If the new credit or exemption is not fully funded by the State, the credit or exemptions will be prorated to the taxpayer. These requirements also apply to the homestead, elderly and disabled, and military service property tax credits. The Act also removed the appropriation freeze on the homestead, elderly and disabled, and military service property tax credits. Removing the appropriation freeze reinstated the standing unlimited appropriations for these credits. State responsibility for the military service property tax credit is limited to \$6.92 per \$1,000 of assessed valuation. The credit exempts the first \$1,852 of assessed valuation from taxation. The total cost of the credit is equal to \$1,852 times the consolidated levy rate. Overall, the value of the credit is equal to approximately \$13.3 million, of which \$2.7 million is reimbursed by the State. The remainder is paid by counties.

In FY 1998 through FY 2002, cities, counties, and school districts must use excess State reimbursement as follows:

- Cities must use at least 50.0% for property tax relief with the remaining amount for infrastructure.
- Counties must use at least 50.0% for property tax relief with the remaining amount used for infrastructure or for paying the expenses incurred in providing tax statements.
- School districts must use 100.0% for property tax relief through the reduction in the additional levy.

## Property Tax Equalization

Equalization under Section 441.47, Code of Iowa, is a process used to maintain equity for property assessments between counties. The Department of Revenue and Finance (DRF) collects sales data, and based on that data makes a determination for equalization of specific classes of property in each county. The Department determines by county if residential and commercial property is generally assessed too high, too low, or within an appropriate range based on county sales data.



This process is used for equalization of commercial and residential classes of property in each county every two years (odd-numbered years). Equalization is also done for the class of agricultural property, but agricultural property is assessed on a

productivity basis, rather than market value, so another equalization method is used.

Equalization orders are given to the assessor. Although the assessor has some discretion in allocating increases and decreases within the classification of property, in most cases, the assessor will apply the percentage increase or decrease across the board.

**Figure 5** displays the statewide changes in 1999 property tax valuations due to assessor revaluation, equalization order, and the net impact on valuations by class of property. The January 1, 1999, valuations are used to generate property tax revenues in FY 2001. Residential includes urban and rural residential and agricultural dwellings. The next equalization cycle will begin with valuations effective January 1, 2001, and will conclude with the DRF equalization order in the fall of 2001.

**Figure 5**

**1999 Assessor Revaluation Actions and Equalization Orders**

	<u>Assessor Revaluation</u>	<u>Equalization</u>	<u>Net Impact</u>
Agricultural	+1.6%	+6.7%	+8.3%
Residential	+4.5%	+2.5%	+7.0%
Commercial	+2.6%	+2.7%	+5.3%

**Assessed Valuation Limitation (Rollback)**

Assessment limitations provide for the reduction of property tax valuations to cushion the impact of inflation. The assessment limitations are applied to classes of property as follows:

- For agricultural, residential, commercial, and industrial classes of real estate, the taxable valuation for each class is limited to 4.0% annual statewide growth from revaluation. In addition, the percent of growth from revaluation is to be the same for agricultural and residential property.
- For utility property, the taxable valuation is limited to 8.0% annual statewide growth from revaluation.
- For railroad property, the assessed valuation is adjusted by the lowest of the assessment limitation percentages for commercial, industrial, and utility property to determine the taxable valuation.

An assessment limitation percentage is applied uniformly to each assessed value in the State for a class of property. Even though the State's total taxable value will increase by only the allowed percent of growth, the taxable values for individual properties will change by different percents. **Figure 6** shows historical rollback adjustments due to the assessment limitation.

**Figure 6**  
**Percent of Property Valuation after Rollback Adjustment**

Assessment Year	Agricultural	Residential	Commercial	Industrial	Utilities	Railroad
1992	100.0000%	72.6985%	100.0000%	100.0000%	100.0000%	100.0000%
1993	100.0000%	68.0404%	100.0000%	100.0000%	100.0000%	100.0000%
1994	100.0000%	67.5074%	100.0000%	100.0000%	97.2090%	97.2090%
1995	100.0000%	59.3180%	97.2824%	100.0000%	100.0000%	97.2824%
1996	100.0000%	58.8284%	100.0000%	100.0000%	100.0000%	100.0000%
1997	96.4206%	54.0909%	97.3606%	100.0000%	100.0000%	97.3606%
1998	100.0000%	56.4789%	100.0000%	100.0000%	100.0000%	100.0000%
1999	96.3381%	54.8525%	98.7732%	100.0000%	100.0000%	98.7732%
2000	100.0000%	56.2651%	100.0000%	100.0000%	100.0000%	100.0000%

### Tax Increment Financing (TIF)



A Tax Increment Finance (TIF) area is established when a city or county adopts a resolution establishing an urban renewal project or a community college adopts a jobs training project. The taxable value of the TIF area in the year prior to the establishment of the TIF becomes the base value.

The property tax revenue from the base value is distributed to all taxing entities. Any growth above the base is called the incremental value. The property tax revenue on the incremental value goes to the TIF project.

As directed by the 2000 General Assembly in HF 776 (Urban Renewal Act) a comprehensive review of the use of Tax Increment Financing (TIF) is in progress. The legislation required that the Department of Management (DOM) collect a number of data items regarding the level and use of TIF by cities and counties. The DOM is then required to provide the data to the LFB for analysis and report to the General Assembly. The statutory deadline for the submittal of the information to the DOM was September 30, 1999. However, due to a number of technical issues, this date was not met. Senate File 2459, passed by the 2000 General Assembly, changed the filing deadline for urban renewal annual reports from September 30 to December 1. Senate File 2459 also stipulated that if a municipality has not filed an annual report with the State by December 1, the county treasurer will withhold disbursement of tax increment revenues to the

municipality. Currently, the DOM is gathering the information and working with the LFB.

In FY 1997, there were 1,453 TIF areas statewide, with 896 having increased valuation. The total incremental value was \$2.4 billion of net taxable valuation. This generated approximately \$71.2 million for TIF projects. This is an increase of \$41.1 million (136.5%) since FY 1992. The incremental value also generated an additional \$8.1 million for bonded indebtedness levies.

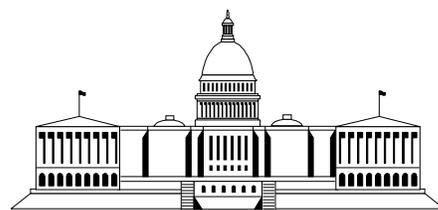
The exclusion of TIF areas' incremental value caused the State to increase General Fund appropriations for School Aid by \$12.8 million in FY 1997, for revenue not generated by the uniform levy rate.

An *Issue Review*, "Tax Increment Financing (TIF)," issued July 31, 1997, provides additional details on TIFs and the impact on the State, local governments, and taxpayers.

## FEDERAL FUNDING ISSUES

Since 1990, the federal budget process has focused on avoiding increases in the annual deficit by imposing targets for various types of discretionary spending and limiting statutory changes that would increase entitlement spending. While unable to pass a balanced budget amendment, the 105<sup>th</sup> Congress did achieve the first budget surplus since 1969. The surplus of \$70.0 million for Federal Fiscal Year (FFY) 1998 was applied against the \$5.5 trillion national debt. The 106<sup>th</sup> Congress continued to hold spending in check and portions of the surpluses of \$107.0 million for FFY 1999 and \$237.0 million for FFY 2000 were also applied against the national debt. Both the White House's Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) project that surpluses will grow in the next decade, although they differ on the amount of growth.

Current estimates are that in State FY 2001, the State of Iowa will receive approximately \$2.674 billion in federal funding. This is an increase of \$130.0 million (4.9%) compared to actual FY 2000 receipts. Over \$1.466 billion of this amount (54.8%) will be received by the Department of Human Services (DHS), primarily for the Medical Assistance, Food Stamps, Children's Health Insurance, and Family Investment Programs. Other departments receiving large amounts of federal funds include:



- \$282.8 million for the Department of Transportation.
- \$302.1 million for the Department of Education.
- \$260.8 million for the Department of Workforce Development.
- \$256.4 million for the Board of Regents Institutions.

For State FY 2002, the State of Iowa anticipates receiving \$2.801 billion in federal funding. This would be an increase of \$40.8 million (1.48%) compared to estimated State FY 2001. Over \$1.611 billion (57.5%) of this amount will be received by the Department of Human Services. Other departments receiving large amounts of federal funds include:

- \$291.1 million for the Department of Transportation.
- \$292.7 million for the Department of Education.
- \$240.8 million for the Department of Workforce Development.
- \$259.7 million for the Board of Regents Institutions.

The estimated State FY 2000 and FY 2001 figures for federal funds are likely to be revised for a number of reasons including:

- Some departments historically underestimate the amount of federal funds they are likely to receive to ensure a conservative approach to planning expenditures.
- A number of adjustments are made each time the books are closed on a federal fiscal year. This could result in reversion of unexpended federal funds and, where federal law allows, the carry-forward of federal funds into the next fiscal year.
- Rule changes in many federal programs take time to be finalized and published, and those changes could impact the amount of funds states will receive and the distribution of the available funds.

In November 2000, the Federal Funds Information Service (FFIS) provided an analysis of some of the major federal grant programs and provided estimates for each state. The table below presents the information provided by FFIS for Iowa.

**Federal Grant Programs – Iowa**  
(Dollars in Millions)

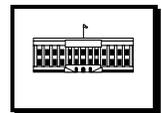
<u>Program</u>	<u>FFY 2000 Actual</u>	<u>FFY 2001 Enacted or Estimated*</u>	<u>Difference</u>
Medicaid Administration	\$ 54.0	\$ 53.6 *	\$ - 0.4
Medicaid Vendor Payments	1,048.8	986.8 **	-62.0
Food Stamp Administration	10.8	11.1	0.3
Food Stamp Benefits	104.2	105.2	1.0
Unemployment Insurance Admin.	18.5	19.4 *	0.9
Temporary Assist. for Needy Families	131.5	131.5 *	0.0
Title I – Local Education Agencies	53.3	56.4 *	3.1
Pell Grants	87.2	93.9 *	6.7
Special Education Basic Grants	55.9	70.4 *	14.5
Head Start	39.7	47.3 *	7.5
School Lunch	44.6	45.8	1.2
Social Services Block Grant	18.8	17.9 *	-0.9
Foster Care	43.9	48.9 *	5.0
Child Support Enforcement Admin.	24.9	27.3 *	2.4
Child Care Entitlement	19.7	21.7 *	1.9

<u>Program</u>	<u>FFY 2000 Estimate</u>	<u>FFY 2001 Enacted or Estimated*</u>	<u>Difference</u>
Child Care and Devel. Block Grant	10.6	18.0 *	7.4
Rehabilitation Services	26.9	27.6 *	0.7
Women, Infant, and Children	34.2	34.4	0.2
Children's Health Insurance Program	32.4	32.4 *	0.0
Child Nutrition – School Breakfast	8.4	8.9	0.4
Community Development Block Grant	17.0	17.7	0.7
Substance Abuse and Prevention	12.5	12.8 *	0.2
Class Size and Teacher Financing	10.2	10.2 *	0.0
Public Housing	7.4	7.7	0.3
Low Income Housing	1.6	1.6	0.0

\*\*Revised estimates submitted by the Iowa Department of Human Services in November 2000 indicate FFY 2001 Medicaid Vendor Payments will be \$1,110.2

In the Table above, estimates are provided by FFIS (and indicated with an asterisk) for appropriations bills for which final action has been postponed until after the elections.

According to the Congressional Quarterly Weekly Report, given the projected increases in budget surpluses, the 107<sup>th</sup> Congress and the new President will have to confront the same major issues faced by the prior two Congresses of whether to:



- Continue to reduce the national debt.
- Minimize or increase growth in spending for certain domestic programs.
- Provide targeted or broad-based tax cuts.

The General Assembly may wish to review the following:

- The State of Iowa is scheduled to receive \$1.9 billion from tobacco companies per the Master Settlement Agreement. To date, Iowa has received \$76.5 million in three payments. The first payment of \$20.8 million was received in December 1998 (FY 1999). The next two payments totaled \$55.7 million and were received in January and April 2000 (FY 2000). Iowa is scheduled to receive an additional \$52.2 million in late FY 2001.

The General Assembly appropriated \$51.2 million for FY 2001 as follows:

- HAWK-I - \$235,000
- DHS Provider Rates - \$20.7 million
- DHS Special Needs - \$5.6 million
- Tobacco Cessation Programs - \$8.8 million
- Tobacco Cessation Program Administration - \$525,800
- Healthy Iowans 2010 Programs - \$2.7 million
- Healthy Iowans 2010 Administration - \$98,000
- Substance Abuse Treatment - \$11.9 million
- Community Based Corrections Substance Abuse Treatment - \$610,000

The General Assembly also transferred \$64.6 million to the General Fund.

For more information on this issue, please refer to the Section regarding Tobacco Securitization or contact Deb Anderson (515-281-6764) or Beth Lenstra (515-281-6301).

- The impact of transfer restrictions relating to the federal Social Services Block Grant. Transfers of Temporary Assistance for Needy Families (TANF) funds for replacement of decreased Social Services Block Grant (SSBG) funding will be limited to 4.25% of the annual TANF grant. Transfers from TANF to the SSBG were previously limited to 10.0%. The stricter transfer limitation is anticipated to reduce funding for social service programs by \$698,000 in FY 2002 and \$6.3 million in FY 2003. For more information on this issue, please contact Deb Anderson (515-281-6764) or Sue Lerdal (515-281-7794). 
- The impact of reallocated Children's Health Insurance Program (CHIP) funding. Under the CHIP, states have three years to expend each year's federal allotment. Iowa received its first allotment in October 1998. The unused federal funds are currently scheduled to revert in January 2001 to a federal CHIP pool for redistribution among the states that have exhausted their allotments. For more information on this issue, please contact Deb Anderson (515-281-6764).
- The impact of the new federal transportation funding legislation, the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), on the Iowa Department of Transportation's Five-Year Iowa Transportation Improvement Program. The Act provides an increase of \$565.3 million (42.7%) in Highway Program funds over the

six-year authorization period compared to the six-year apportionments made in the Intermodal Surface Transportation Act of 1991 (ISTEA). Additionally, Iowa was apportioned \$27.5 million for FFY 2001 for public transit assistance. These funds are apportioned annually. The funds will be used for capital projects, operations, and planning purposes. Iowa will also be receiving a total of \$23.7 million in federal aviation improvement funding. Airport discretionary funding for FY 2001 is unknown at this time. For more information on this issue, please contact Dave Reynolds (515-281-6934).

- The impact of the federal class size reduction appropriation for education. For FY 2001, Iowa received \$10.2 million. The funding was distributed to school districts using a formula based on 80.0% poverty and 20.0% student enrollment. School districts may spend the money to recruit, hire, and train teachers in order to reduce class sizes in grades Kindergarten through three. This may include payment of salaries and benefits. School districts may also use up to 100.0% of the funds for professional development. In those districts where class sizes have already been reduced to 18 students, the funds may be used to reduce class sizes further, to reduce class sizes in other grades, or for professional development. For FY 2002, it is anticipated that funding for this program will remain relatively static. There is no state matching fund requirement. For more information on this issue, please contact Robin Madison (515-281-5270).  

- The impact of the federal Department of Defense budget allocation to Iowa for FFY 2001 of \$23.0 million for an Iowa Technology Center, with total funding through FFY 2004 of and estimated \$80.0 million. In addition to the federal funds the project will bring to Iowa, it is expected to generate other economic development benefits through partnerships in related software development with firms relocating or establishing offices in Iowa. The funding will support the Iowa National Guard in the following areas:
  - Development of a Consolidated Interactive Virtual Information Center.
  - Establishment of a Command and Control Wide Area Network.
  - Creation of a Military Interactive Multi-media Instruction Center at Camp Dodge.

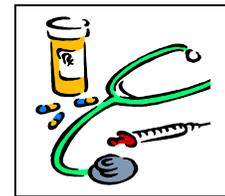
Due to Congress completing its work so late in December 2000, some Executive Branch departments do not yet know the full amount of federal funds they can anticipate for FY 2002. Additionally, federal departments will likely be implementing new administrative rules that impact funding formulas or access to discretionary funds. As soon as this information is available, the LFB will provide the departments' updated estimates to the respective Appropriations Subcommittees.

## HEALTH INSURANCE PREMIUMS

Health insurance costs for FY 2001 exceed the General Fund level of funding by \$12.3 million. The Governor recommended and the General Assembly passed funding for a 4.0% health insurance increase for FY 2001. State agencies have experienced a 26.9% (17.0% July 1, 2000, and 17.0% January 1, 2001) increase in the cost of the Wellmark indemnity plan. Approximately 70.0% of state employees are covered by this plan (excluding Regent faculty and professional staff). Other State plans have experienced similar increases.

The Legislative Fiscal Bureau asked state agencies to respond to how they were going to manage the \$12.3 million shortage for health insurance funding. The agencies respond in a variety of ways, including the following:

- Extend the period of time positions are vacant.
- Delay the purchase or replacement of equipment.
- Across the board reduction of items, (i.e. supplies, travel, and data processing).
- Defer maintenance.
- Delay technology upgrades.
- Delay the conversion of documents to an electronic format.
- Appropriations transfer requests if efforts fail.



Three State departments are involved in the Health Insurance Program. The Department of Personnel administers the Program, the Department of Revenue and Finance has the fiduciary responsibility of the health insurance funds, and the Department of Management provides budgetary review and establishes the employer premium. Based upon the work done by all three departments, in May of 2000, it was determined that the assumptions made for the premium calculations for FY 2001 would have to be revised for the following reasons:

- Increased claim experience.
- Dwindling insurance reserves (surplus funds from past contracts) would not allow the continued buy-down of the employer rates.
- The need to begin to establish a Terminal Liability account to pay claims upon the expiration of the Wellmark contract in December 2002.

Due to these findings, the 17.0% increase on July 1, 2000, and an additional 17.0% increase on January 1, 2001, in health insurance premiums were implemented. Even with these increases, there is still some buy-down of the employer share of the premium.

The two 17.0% increases in health insurance premiums during FY 2001 will result in an annualized increase for FY 2001 of 26.9%, which amounts to a total General Fund cost of \$12.3 million for State government agencies. The impact of the increases for FY 2002, when both 17.0% increases have been in effect for the full fiscal year, will be an increase of 36.9%. An additional increase will be required for FY 2002 due to the 21.6% Wellmark rate increase beginning January 1, 2001, and another potential Wellmark rate increase January 1, 2002.

A portion of any new rate increase will need to be dedicated towards establishing the Terminal Liability account. January 1, 1999, was the start of the current contract with Wellmark, which expires December 31, 2002. At the end of the contract, approximately \$16.0 - \$20.0 million will be needed to pay health claims incurred before the end of the current contract.

## TOBACCO SETTLEMENT

On November 20, 1998, 46 states approved a settlement agreement with the four major tobacco industry manufacturers comprising 99.4% of the United States cigarette market. The manufacturers agreed to a settlement valued at \$206.38 billion to be paid over 25 years to settle tobacco-related lawsuits filed by the states. The settlement covered 39 states that filed lawsuits and seven states that had yet to sue. The settlement does not apply to the four states that previously settled their state lawsuits.

**Industry Payments** - The funding provisions of the settlement include:

- An annual industry payment in perpetuity to the 46 settling states plus \$12.7 million for “up-front” payments. Up-front payments were distributed beginning in December 1998 and are scheduled to continue through January 2003. Annual payments will total \$195.92 billion through the year 2025 and will be adjusted annually for inflation and sales volume. Iowa’s total share will be approximately \$1.70 billion.
- \$8.61 billion for a strategic contribution fund, to be paid to states over the ten-year period beginning April 2008, and to be allocated based upon efforts expended to resolve the state lawsuits against tobacco companies. Iowa’s share will be approximately \$234.0 million.
- \$50.0 million for an enforcement fund available to states to prosecute settlement violations. Payments will be made to a national escrow agent and made available to states as needed for prosecution.
- \$1.45 billion for a sustained advertising program to counter youth tobacco use and educate consumers about tobacco related diseases. Payments will be made to a foundation that will use the funds to administer a national campaign.
- \$250.0 million to develop programs to reduce teen smoking and substance abuse and to prevent diseases associated with tobacco use. Payments will be made to a foundation that will administer a national campaign.



Iowa will receive approximately 0.87% (\$1.70 billion) of the total funds allocated for distribution to the states. Annual payments to Iowa initially increase on a yearly basis. Unadjusted payments began with \$55.8 million in April 2000 and will increase to \$73.0 million in April 2003. Iowa will then receive \$60.9 million annually for the years 2004–2007, \$62.1 million



annually for the years 2008–2017, and \$69.6 million annually for the years 2018–2025.

Estimated settlement payment amounts, however, may change significantly once volume and inflation adjustments are computed. An inflation adjustment equal to the greater of the Consumer Price Index or three percent is applied to each year's annual payment amount. A volume adjustment is also applied to each year's payment amount to reduce payments if cigarette sales decrease compared to the 1997 sales volume. Numerous analysts have prepared estimates of the volume decline, with estimates ranging from 6.0% to 12.0% in early years and from 1.5% to 2.0% in later years.



**Tobacco Settlement Fund Appropriations** – To date, Iowa has received \$76.5 million in three payments. The first payment of \$20.8 million was received in December 1998 (FY 1999). The next two payments totaled \$55.7 million and were received in January and April 2000 (FY 2000). Iowa is scheduled to receive an additional \$52.2 million in late FY 2001. Thus, the State has approximately \$128.7 million available for expenditure in FY 2001.

The General Assembly made the following FY 2001 appropriations from tobacco settlement funds:

- Healthy and Well Kids in Iowa (HAWK-I): \$235,000
- Human Services Provider Rates: \$26.3 million
- Tobacco Cessation Programs: \$9.3 million
- Healthy Iowans 2010 Programs: \$2.8 million
- Substance Abuse Treatment: \$11.9 million
- Community-Based Corrections Substance Abuse Treatment: \$610,000
- Savings Account for Healthy Iowans: \$3.8 million
- Transfer to the General Fund: \$64.6 million

Iowa is also scheduled to pay \$2.3 million in attorney fees during FY 2001. If the attorney fees are paid from tobacco settlement revenues, the FY 2001 year-end balance for the Tobacco Settlement Fund will be approximately \$6.8 million.

Iowa is estimated to receive an additional \$62.7 million in FY 2002. *The Governor is recommending the following FY 2002 appropriations from the Tobacco Settlement Fund:*

- *Healthy and Well Kids in Iowa (HAWK-I): \$200,000, a decrease of \$35,000 compared to estimated FY 2001 to eliminate one-time funding for a continuous eligibility pilot program.*
- *Human Services Provider Rates: \$30.7 million, an increase of \$4.4 million compared to estimated FY 2001 to annualize the cost of provider reimbursement rate increases.*
- *Tobacco Cessation Programs: \$9.3 million, no change compared to estimated FY 2001.*
- *Healthy Iowans 2010 Programs: \$2.8 million, no change compared to estimated FY 2001.*
- *Substance Abuse Treatment: \$11.9 million, no change compared to estimated FY 2001.*
- *Public Health Addictive Disorders: \$610,000, an increase of \$610,000 compared to estimated FY 2001 to replace General Fund dollars with Tobacco Settlement Fund dollars.*

These Governor's recommendations total \$55.5 million, and do not include continued funding for the Savings Account for Healthy Iowans or a transfer to the General Fund. Scheduled FY 2002 attorney fee payments total \$10.6 million. Assuming attorney fees are funded through the Tobacco Settlement Fund and the Savings Account for Healthy Iowans is not funded, the FY 2002 year-end balance for the Tobacco Settlement Fund will be approximately \$3.4 million.

**Tobacco Securitization** – House File 2579, as enacted during the 2000 General Assembly, creates the Tobacco Settlement Authority with the Governing Board comprised of the Treasurer of State, the State Auditor, and the Director of the Department of Management. The Act begins the process necessary for the State to sell its future tobacco settlement payments due from the Master Settlement Agreement (MSA), subject to approval by a constitutional majority of each House of the General Assembly and approval by the Governor. Such a sale would arguably assure an amount that would represent the proceeds from the MSA.

The Tobacco Settlement Authority is authorized to create a program plan, which is to describe the terms and conditions of any sale. The Tobacco Settlement Authority is required to file a report regarding the program plan with the Legislative and Executive Councils. The program plan shall include the structure of any sale agreement between the State and the Authority; terms of payment amounts due from the Authority to the State; investment criteria; analysis of alternative funding options; recommendations to the Governor and General Assembly related to any

changes required in existing law; and, any terms or provisions necessary to implement the Act. House File 2579 will be repealed March 1, 2001. The Tobacco Settlement Authority plans to issue the program plan in January 2001.

The Tobacco Settlement Authority has hired Public Financial Management (PFM) as its financial advisor. The Authority retained the partnership of Hawkins, Delafield & Wood in conjunction with Ahlers, Cooney, Dorweiler, Haynie, Smith, and Allbee, P.C. as special counsel. The Hawkins law firm has been involved in six tobacco securitization issues and will serve as senior counsel. The Authority also hired the Dorsey and Whitney law firm for its expertise regarding the State's investment policies and legislation. The financial advisor and legal counsel will only be compensated if a tobacco securitization issue is sold in the financial markets.

If the proceeds from the Master Settlement Agreement are securitized, Public Financial Management will be compensated a flat fee of \$50,000 plus reasonable, documented out-of-pocket expenses. If the proceeds from the Master Settlement Agreement are securitized, the special counsel will be compensated on a per \$1,000 bond basis: \$1.00 per \$1,000 bond issued, plus reasonable, documented out-of-pocket expenses. For example, if \$50.0 million is securitized, the special counsel's fee is \$50,000 ( $\$50.0 \text{ million} / \$1,000 \times \$1.00$ ). This fee is split between the Hawkins law firm and the Ahler's law firm. The fee split is at the discretion of the two firms. It is assumed the Hawkins law firm will receive a higher percentage of the fees because it is senior counsel. The Dorsey and Whitney law firm has agreed to accept a fee that is equal to that received by the Ahler's law firm, plus reasonable, documented out-of-pocket expenses.

*The Governor will make a recommendation once the program plan is available.*

# SENIOR LIVING PROGRAM

In April 2000, Iowa received federal approval to amend its Medicaid State Plan to retroactively implement a nursing facility reimbursement methodology that maximizes federal matching funds for nursing facility reimbursements effective October 1, 1999. The reimbursement methodology generates federal matching funds based on nursing facility Medicare rates. The State reimburses nursing facilities using Medicaid rates, but receives federal funds based on Medicare rates which are more costly than Medicaid rates. Federal matching funds received in excess of Medicaid rates are used to fund alternative senior living and nursing services.



In SF 2193 (Senior Living Program Act) Iowa established a Senior Living Trust Fund to administer federal funds received in excess of Medicaid rates. The following table illustrates Iowa's anticipated federal fund recoveries due to the Medicaid State Plan Amendment.



Fiscal Year	Federal Funding
2001	\$ 95,621,331
2002	112,972,000
2003	106,067,000
2004 (1 <sup>st</sup> quarter)	24,580,000
Total	\$ 339,240,331

Concerned with states' perceived abuse of this nursing facility reimbursement methodology, the federal Health Care Financing Administration (HCFA) released a notice of proposed rulemaking on October 10, 2000, that phases out states' abilities to collect federal funding in excess of actual nursing facility expenditures. The notice provides Iowa a two-year transition period (until September 30, 2002) during which time Iowa must amend its Medicaid State Plan to comply with revised nursing facility reimbursement requirements.

## Senior Living Trust Fund Appropriations

The 2000 General Assembly appropriated Senior Living funding to the following programs:

1. \$4.2 million for home and community-based services within the Department of Elder Affairs. The Department of Elder Affairs has awarded Senior Living funding to 11 Area Agencies on Aging and conditional funding to the remaining

two Area Agencies on Aging to design, maintain, or expand home and community-based services for seniors. Grant dollars awarded total \$3.6 million. *The Governor is recommending FY 2002 funding of \$5.1 million for home and community-based services within the Department of Elder Affairs, an increase of \$0.9 million compared to estimated FY 2001.*

2. \$22.2 million for nursing facility conversion and long-term care alternatives within the Department of Human Services (DHS). In July 2000, the DHS solicited applications to convert nursing facilities to affordable assisted living facilities and to develop other long-term care alternatives to nursing facility care. Sixty-seven applicants submitted applications by the September 1, 2000, deadline. The DHS authorized 42 of the applicants to submit architectural and financial feasibility studies by January 31, 2001. The applicants propose a total of 347 nursing facility beds be converted to assisted living beds and 60 other long-term care alternative programs be established. *The Governor is recommending FY 2002 funding of \$21.7 million for nursing facility conversion and long-term care alternative grants, a decrease of \$0.5 million compared to estimated FY 2001 to reduce administrative expenditures.*



3. \$5.0 million for acuity-based reimbursements for nursing facilities. A nursing facility reimbursement task force has been formed and a consultant hired to study and implement Iowa's nursing facility acuity-based reimbursement methodology. Under acuity-based reimbursement, each nursing facility is reimbursed based upon the resources needed to care for its residents given the residents' average acuities. Residents' acuities indicate their levels of physical and cognitive functioning, as assessed through standardized federal health indicators. Iowa began phasing in acuity-based reimbursement on July 1, 2000, by awarding nursing facilities a transitional bonus based upon average acuity and patient care service expenditures. The DHS anticipates discontinuing the transitional phase and implementing full acuity-based reimbursement on July 1, 2001. *The Governor is recommending FY 2002 funding of \$8.0 million for acuity-based reimbursements, an increase of \$3.0 million compared to estimated FY 2001.*



4. \$12.8 million for nursing facility reimbursement increases to maintain FY 2001 nursing facility reimbursements at the 70<sup>th</sup> percentile. This funding has been distributed to maintain nursing facility reimbursements. *The Governor is recommending FY 2002 funding of \$12.8 million to maintain nursing facility reimbursement increases, no change compared to estimated FY 2001.*

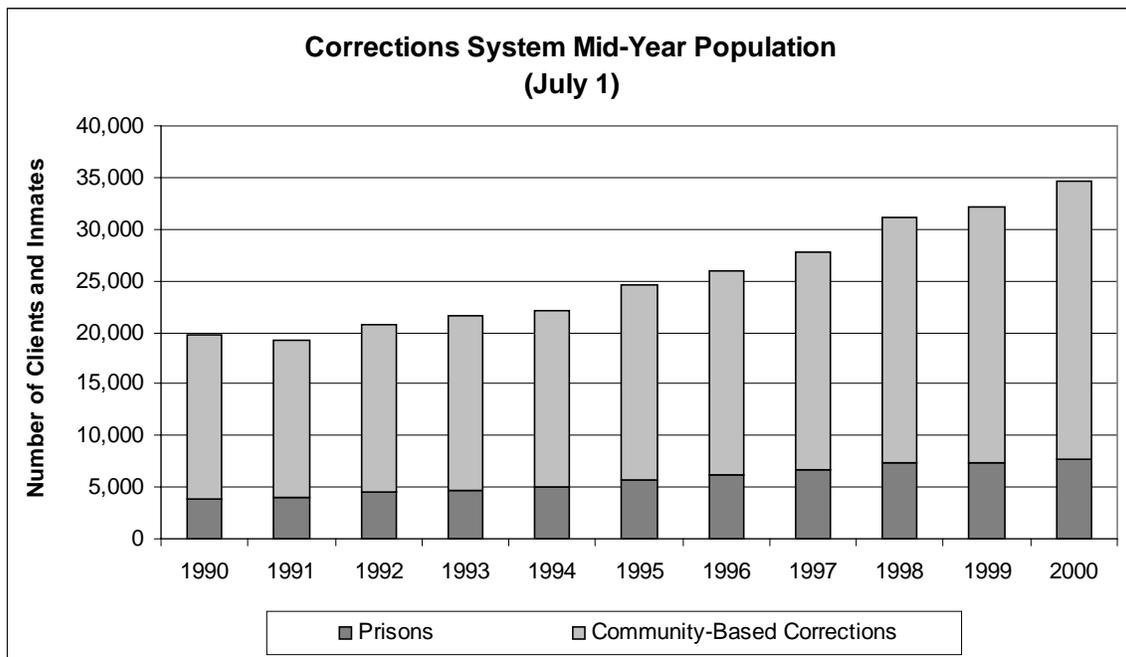
The following table provides the DHS estimate of Senior Living Trust Fund resources and expenditures for FY 2001 – FY 2005.

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Beginning Balance	\$ 0	\$ 54,311,814	\$ 130,560,922	\$ 211,429,368	\$ 210,128,766
Federal Funding	95,621,331	112,972,000	106,067,000	24,580,000	2,000,000
Interest	2,868,640	10,037,029	14,197,675	14,160,562	12,727,726
Total Resources	<u>\$ 98,489,971</u>	<u>\$ 177,320,843</u>	<u>\$ 250,825,597</u>	<u>\$ 250,169,930</u>	<u>\$ 224,856,492</u>
Elder Affairs Grants	4,188,123	4,986,515	5,615,453	6,251,989	6,475,000
DHS Nursing Facility Conversion	22,240,034	21,023,406	21,030,776	21,039,175	982,371
Acuity-Based Reimbursements	5,000,000	8,000,000	0	0	0
Maintain 70th Percentile	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000
Total Expenditures	<u>\$ 44,178,157</u>	<u>\$ 46,759,921</u>	<u>\$ 39,396,229</u>	<u>\$ 40,041,164</u>	<u>\$ 20,207,371</u>
Ending Trust Fund Balance	<u>\$ 54,311,814</u>	<u>\$ 130,560,922</u>	<u>\$ 211,429,368</u>	<u>\$ 210,128,766</u>	<u>\$ 204,649,121</u>

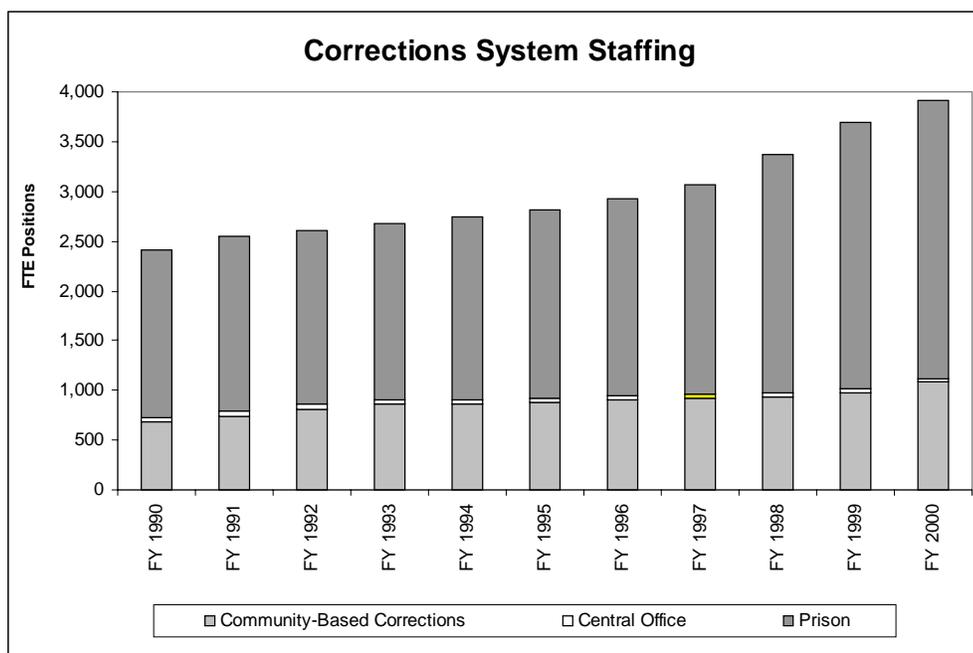
# IOWA CORRECTIONS SYSTEM

## Present Corrections System

The Iowa corrections system has four parts – administration, prisons, community-based corrections, and Iowa Prison Industries. The Central Office is located in Des Moines and has responsibilities for administration, planning, policy development, program monitoring, and budgeting. Some staff that perform system wide administrative functions (for example, the medical services director and staff) are located at one of the institutions or Community-Based Corrections (CBC) District Departments. One Regional Deputy Director and his staff are located in the Sixth CBC District Department. The prisons are responsible for incarcerating higher-risk individuals and providing the offenders with services essential to reducing risk to the general public upon release or parole. CBC provides supervision and transitional treatment for probationers, work release clients, Operating While Intoxicated (OWI) inmates, and parolees within a community setting. CBC provides both residential and street supervision. The chart shows the distribution of prison inmates and CBC clients between 1990 and 2000.



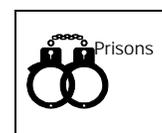
The next chart shows corrections system staffing between 1990 and 2000.



The CBC District Departments have responsibility for more than three-fourths of the offenders under correctional supervision. In 1990, CBC supervised 80.5% of the offenders, but by 2000, the percentage had declined to 77.9%. Between 1990 and 2000, the prison population increased from 3,842 to 7,651 inmates, an increase of 3,809 (99.1%) inmates. Over the same time period the CBC population grew from 15,880 to 26,919 clients, an increase of 11,039 (69.5%).

Historically, between two-thirds and three-fourths of the corrections system staff have been employed by the prison system. In FY 1990, the prisons employed 70.1% of the correctional system staff. By FY 2000, the percentage had increased to 71.3% of the correctional system staff. In FY 1990, the prisons employed 1,693.4 FTE positions. By FY 2000, the number of prison employees had increased by 1,101.7 (65.1%) FTE positions. Over the same time period, CBC staffing had increased from 679.7 FTE positions to 1,084.4 FTE positions, an increase of 404.7 (59.5%) FTE positions. The Central Office had 42.1 FTE positions in FY 1990, and in FY 2000, it had 37.2 FTE positions, a decrease of 4.9 (11.7%) FTE positions.

### Prison System



The Iowa corrections system operates a continuum of sanctions, ranging from probation with minimal supervision to incarceration. The prisons provide the most severe level of sanction, incarcerating those offenders who cannot be safely managed in community settings. In addition to security, prisons

provide for housing, dietary services, medical, mental health and substance abuse treatment, education and job skills training, behavioral and psychological treatment, and recreational activities.

**Facilities** The prison system has nine major prison facilities with a total of 6,909 general population beds and 463 medical and segregation beds. The following table describes the nine prisons and distribution of the general population beds.



**Iowa Prison System  
(as of July 1, 2000)**

Prison	Current Capacity	Security Type	Population	No. Over Capacity	Emphasis
Ft. Madison	881	Max. 549	562	13	General-Male
		Med. 152	174	22	
		Min. 180	162	-18	
Anamosa	1,015	Med. 944	1,184	240	General/Education-Male
		Min. 71	49	-22	
Mitchellville	475	Min. 443	438	-5	General-Female
		Viol. 32	31	-1	
Newton	1,002	Min. 166	217	51	Pre-Release-Male
		Med. 762	770	8	General Male
		Viol. 74	77	3	
Oakdale	504	Med. 504	757	253	Reception/Evaluation/ General/Psychiatric
Mt. Pleasant	875	Med. 875	1,021	146	Substance Abuse/ Sex Offender-Male
Ft. Dodge	1,162	Med 1,162	1,027	-135	General Male/Youthful Offender
Clarinda	750	Med. 750	781	31	Special Learning-Male
Rockwell City	<u>245</u>	Med. 245	<u>386</u>	<u>141</u>	General-Male
Total	<u>6,909</u>		<u>7,636</u>	<u>727</u>	

The Iowa State Penitentiary at Ft. Madison, Iowa's oldest prison, was constructed in 1839 and serves as the primary maximum-security facility. The Anamosa State Penitentiary was built before 1900. Since FY 1991, 3,758 prison beds have been added to the system, an increase of 123.4%. Listed below are recent additions to the system:

### Recent Prison Construction

Location	Type of Facility	Design Capacity	Opening Date
Clarinda	Men – general population, medium security, replaced 152-bed facility	750 beds	April 1996
Newton	Men – general population, medium security	750 beds	July 1997
Fort Dodge	Men – general population, medium security	750 beds	July 1998
		400 beds	February 2000
Mount Pleasant	Women – special needs	100 beds	April 1999
Mitchellville	Women – general population, medium security	184 beds	April 2000
		48 beds	November 2000
Fort Madison	Men – special needs	200 beds	March 2002
Oakdale	Men – special needs	170 beds	2003

The Governor is recommending the following items for the prison system:

- ❖ An increase of \$251,000 and 2.5 FTE positions to continue implementation of the Iowa Criminal Offender Network (ICON), including purchases of hardware and software, and staff training.
- ❖ An increase of \$135,000 and 3.0 FTE positions for registered nurses at Clarinda and Newton.
- ❖ A decrease of \$623,000 to annualize 4.0 FTE positions and to provide utilities for the Special Needs Unit at Fort Madison (\$204,000 and 1.4 FTE positions) and to eliminate FY 2001 one-time costs (\$827,000). Full staff and operations costs are funded in FY 2003. The DOC estimates it will cost approximately \$6.1 million and 114.0 FTE positions annually to operate the 200-bed Special Needs Unit. The Governor is recommending that one-time costs of \$333,000 for an electrical power upgrade for the Special Needs Unit be funded from the Rebuild Iowa Infrastructure Fund.
- ❖ An increase of \$110,000 to replace expiring federal funding for substance abuse treatment at Fort Dodge.
- ❖ An increase of \$102,000 for sewer volume rate increases at Oakdale and Newton.



- ❖ An increase of \$1.0 million for natural gas increases at all of the Institutions except Fort Dodge.
- ❖ An increase of \$105,000 for the Oakdale facility to connect to the city of Coralville's water plant. The Governor is recommending that one-time costs of \$100,000 be funded from the Rebuild Iowa Infrastructure Fund.
- ❖ An increase of \$25,000 for increased costs of sewer and water services from the city of Mitchellville. The Governor is recommending that one-time costs of \$364,000 for the State's share of the costs for the city's new wastewater treatment plant be funded from the Rebuild Iowa Infrastructure Fund.
- ❖ The Governor's recommendation includes a \$2.6 million increase in General Fund revenues for federal prisoner reimbursement. The federal government has recently contracted with the State and agreed to pay \$74 per day for the estimated 96 federal prisoners detained in Iowa prisons. The estimated annual reimbursement is \$2.6 million.
- ❖ The Governor is recommending a comprehensive re-writing of the schedule for misdemeanor fines with the goal of more accurately matching the fines to the severity of the violation. The Governor's budget recommendation includes \$3.6 million in increased General Fund revenue for this initiative.
- ❖ The Governor is recommending an automatic \$125 surcharge on each targeted conviction or deferred sentence. This would include convictions for drug offenses, burglary, forgery, furnishing drugs to inmates, vandalism, and prostitution/pimping. The Governor's budget recommendation includes \$1.2 million in increased General Fund revenue due to the surcharge.

**Projected Prison Population Growth** On November 13, 2000, there were 7,967 inmates in Iowa's prison system. This is 686 (9.4%) more inmates than one year ago. The correctional system has attempted to reduce probation revocations to prison and increase paroles granted. However, new court commitments continue to increase.

The Criminal and Juvenile Justice Planning Division (CJJP) of the Department of Human Rights has prepared a prison population forecast that adjusts for the recent departmental policy changes and projects prison population growth through FY 2010. If current offender behavior and justice system trends remain unchanged, the prison population will be 12,400 inmates by June 30, 2010, an increase of 62.0%. The growth is attributable to:

- More parole and probation revocations (more people are under correctional supervision, so more people are being revoked).
- Increase in the length of stay in prison.

- Increase in new court-ordered commitments.
- Increase in drug offenders who have manufactured or trafficked in methamphetamine.
- Increase in the number of inmates who serve their entire maximum term (minus any earned time credits) in prison.
- Increase in the number of inmates who are required to serve at least 85.0% of their maximum sentence. The offenses include Second Degree Murder, First and Second Degree Robbery, Second Degree Sexual Abuse, and Second Degree Kidnapping. Effective July 1, 1998, Vehicular Homicide with leaving the scene of the accident and Attempted Murder were added to the list of offenses. By June 2010, approximately 703 additional inmates will be in prison due to these laws. The laws will have a greater impact beyond 2010.

**Addition of Five New Prisons** The forecast creates capacity issues. According to the DOC, for every 1,000 increase in the inmate population, a new 750-bed prison will need to be constructed. This assumes each prison will operate at 130.0% of capacity. If the inmate population reaches 12,400, five new 750-bed prisons will need to be built at a construction cost of \$45.0 million for each prison. Each prison will incur annual operating costs of approximately \$25.0 million.



### **Community-Based Corrections**

The CBC system is an alternative to incarcerating persons convicted of low-risk criminal offenses and work release offenders returning to Iowa communities. The CBC residential capacity provides a structured setting for transitional offenders. The person, who is on probation or parole, resides in the community under the supervision of the CBC District Department and participates in treatment programs. In terms of the continuum of sanctions, the CBC District Department level of supervision ranges from low risk supervision, also called “banked caseloads,” for individuals who need the very least supervision to the residential supervision where the clients live in a facility. Between those extremes fall intensive supervision (with and without electronic monitoring), and regular probation and parole. The level of supervision is matched on a case-by-case basis to the offenders’ level of self-control and ability to conform to program and supervision requirements. As the client improves, he/she is moved to a less intense level of the supervision.

Pursuant to Chapter 905.7, Code of Iowa, the DOC provides assistance and support to each of the eight CBC District Departments. The DOC has regulatory responsibilities for CBC programs, including statewide planning, budget oversight, establishment of program guidelines, and development of performance measures.

The General Assembly appropriates funds to the DOC and allocates those funds to each CBC District Department.

The CBC District Departments are responsible for establishing those services necessary to provide a program that meets the needs of the judicial district. Each CBC District Department contracts annually with the DOC to provide pre- and post institutional services. Each CBC District Department is under the direction of a board of directors, and is administered by a director appointed by the board. Each CBC board sets policy, approves budget requests for submission to the Board of Corrections, and oversees program operations. In addition, each district has one or more citizen advisory boards.

The CBC District Departments offer a number of programs intended to modify the client's behavior so he or she can live in the community as a law-abiding citizen. Some of the major programs are:

- Treatment Alternatives to Street Crime (TASC) Program
- Day Programming
- Drug Court
- Youthful Offender Program
- Domestic Abuse Batterer's Program
- Sex Offender Program, including a hormonal intervention therapy option
- Community Work Crew Program
- Violator Program
- Community Service Sentencing
- Pre-trial services
- Residential Facilities

**Residential Facilities** The CBC District Departments had 1,368 residential facility beds on July 1, 2000, after the DOC and CBC District Directors agreed to reallocate facility space to accommodate additional beds during FY 2000. These beds are used for probationers needing the highest level of community supervision, for inmates leaving prison on work release, and for Operating While Intoxicated (OWI) treatment programming. The District Departments reallocate beds among these programs as program demand changes. The chart on the following page shows the distribution of CBC residential beds.

There have been 352 CBC residential facility beds added to the system since FY 1991, an increase of 34.6%. The following projects have recently been completed or authorized to add residential beds:

- The Fifth CBC District Department opened Building 68, a 119-bed work release facility at Fort Des Moines, in March 1999. This facility replaced a rented, 40-bed facility. Building 70 was opened in May 1999 (80 residential beds). The

District Department completed renovation of Building 65/66 in April 2000, which added 24 beds to its OWI capacity.

- The First CBC District Department is adding a 30-bed expansion to an existing facility. Construction is scheduled to be completed in January 2001.
- The Fourth CBC District Department is constructing a new 25-bed residential facility for women. The facility is scheduled to open in July 2001.

**Community-Based Corrections Bed Space Utilization**  
(as of July 1, 2000)

District	Facility	Probation	Work Release	OWI	Total Capacity
1	Waterloo Residential	68	4	2	74
1	Waterloo Work Release	14	34	28	76
1	Dubuque Residential	20	12	12	44
1	West Union Residential	24	11	13	48
2	Ft. Dodge Residential	11	11	12	34
2	Ames Residential	21	12	12	45
2	Marshalltown Residential	27	24	0	51
2	Mason City Residential	30	11	10	51
3	Sioux City Residential	19	19	19	57
3	Sheldon Residential	12	14	3	29
4	Council Bluffs Residential	45	11	5	61
5	Des Moines Residential/ Work Release	119	80	0	199
5	Des Moines Women's Facility	31	12	5	48
5	Des Moines OWI Facility	0	0	67	67
6	Cedar Rapids Residential	73	5	5	83
6	Cedar Rapids Work Release	31	30	29	90
6	Coralville Residential	21	19	15	55
7	Davenport Residential	64	0	0	64
7	Davenport Work Release	21	30	30	81
8	Burlington Residential	29	14	17	60
8	Ottumwa Residential	23	14	14	51
	Total	703	367	298	1,368

OWI = Operating a motor vehicle while intoxicated

The Governor is recommending the following items for CBC:

- ❖ An increase of \$332,000 to replace federal funds for the following programs: Youthful Offenders, Drug Court, Victim Contacts, Sex Offender Treatment and

Supervision, and Domestic Violence. This funding is requested in the First, Second, Third, Fifth, and Eighth CBC District Departments.

- ❖ An increase of \$610,000 to replace tobacco funds with General Fund money for Day Programming (Second CBC District Department) and Drug Courts (Third, Fourth, and Fifth CBC District Departments). This figure does not include the Governor's recommended reduction of \$38,000 to eliminate the County Attorney contract for the Drug Court in Polk County.
- ❖ An increase of \$465,000 and 6.0 FTE positions for new Drug Courts in the First, Sixth, and Seventh CBC District Departments.
- ❖ An increase of \$504,000 and 12.0 FTE positions to provide mandatory 2-year supervision of sex offenders sentenced under Chapter 709, Code of Iowa. The Governor is recommending statutory changes to implement this proposal.
- ❖ An increase of \$878,000 and 17.5 FTE positions to staff and operate the new residential beds at Dubuque and Council Bluffs.
- ❖ A decrease of \$102,000 to offset the lease-purchase of the currently rented Davenport Work Release Center.

**Community-Based Corrections Population Growth** The Criminal and Juvenile Justice Planning Division does not forecast the CBC populations. The following information was prepared using average annual percentage growth rates. The average annual growth rate for the CBC population since FY 1996 (five-year average) has been 5.6%, and since FY 1989, the growth rate has averaged 4.0% (12-year average). Both of these averages are presented to provide a projection range.

With the 5.6% five-year annual growth rate, the CBC population would be 46,595 in FY 2010. This is an increase of 19,676 (73.1%) clients. With the 4.0% 12-year annual growth rate, the CBC population would reach 39,656, which is an increase of 12,737 (47.3%) in FY 2010.

**Funding to Maintain Current Level of Services** The above projection shows CBC population growth ranging from 47.3% to 73.1%. Assuming the budget needed to fund the current level of services would increase at the same rate as the CBC client population, then by FY 2010, the CBC District Departments would need a budget between \$82.8 million and \$97.2 million.

## **Summary**

The corrections system can be expected to continue to grow over the next decade, both in prisons and Community-Based Corrections. This growth will require both the construction of new prisons and an increase in CBC staffing and programming if

current levels of services are to be maintained. Alternatively, the General Assembly may choose to review the following policy issues:

- Alternative sanctions for drug offenders.
- Continued expansion of work release capacity.
- Increase parole for misdemeanants and Class D felons whose crimes are not against persons.
- Reduce parole and probation violations to prison.
- Expand the use of community service sentencing and financial penalties as options within the CBC system.

# INFORMATION TECHNOLOGY ISSUES

## Information Technology Department (ITD)

Senate File 2395 (Information Technology Department Act) created the Information Technology Department. The Act was enacted on May 25, 2000. The General Assembly established the new Department with the following rationale:

1. Information technology resources in State government are valuable strategic assets belonging to the citizens of Iowa and must be managed accordingly.
2. State agencies independently acquire duplicative information technologies that would be more appropriately coordinated for maximum cost-effectiveness, maximized service, and efficiency. 
3. Considerations of both cost and the need for the transfer of information among the various agencies and branches of State government in the most timely and useful form possible require uniform standards and coordinated systems for the use of information technologies.
4. The appropriate use of information technology by the State can improve operational productivity, reduce the cost of government, enhance service to the citizens of Iowa, and make government more accessible to the public.
5. The use of information technology to provide government services directly to citizens can be a cost-effective method of delivering such services.
6. Planning, protection, and direction for information technology resources must be enacted to accomplish all of the following:
  - a. Ensure the effective application of information technology on State business operations. 
  - b. Ensure the quality, security, and integrity of State business operations.
  - c. Enhance privacy to the citizens of the State.
7. Standards for information technology must be developed and implemented to ensure the appropriate acquisition of information technology and to effectively manage the State's information technology resources.
8. The State must provide information technology infrastructure coordination, technical directions, and a proficient organizational management structure to

facilitate the productive application of information technology and resources to accomplish the missions and goals of State government.

9. Oversight of large-scale systems or projects is necessary to protect the state's investment and to ensure appropriate integration with existing or planned systems.
10. Appropriate public-private partnerships to supplement existing resources must be developed as a strategy for the State to comprehensively meet its information technology needs.
11. Establishment of an Information Technology Department is necessary to achieve the goals identified in this section, to effectively plan for, develop, and manage information technology and related resources, and to assure that the needs of the citizens of this State, as well as the State's needs, are met.

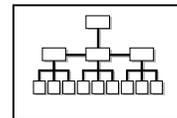


All Executive Branch agencies are required to coordinate information technology needs with and follow the standards developed by the ITD with the following exceptions:

1. The Board of Regents and institutions operated under the authority of the Board of Regents.
2. The Public Broadcasting Division (IPTV) of the Department of Education.
3. The Department of Transportation mobile radio network.
4. The Department of Public Safety law enforcement communications systems.
5. The Iowa Telecommunications and Technology Commission with respect to information technology that is unique to the Iowa Communications Network.

The Department is governed by the Information Technology Council and includes four divisions, three offices, and the lowAccess Advisory Council as follows:

- Administration Division
- Operations Division
- Policy and Planning Division
- Customer Relations Division
- Office of Digital Government
- Office of IT Innovation
- Project Office
- lowAccess Advisory Council



The Director of the Department reports to the Information Technology Council, which has 12 voting members and five ex officio members including:



1. The director of the Information Technology Department.
2. The administrator of the Public Broadcasting Division of the Department of Education.
3. The Chairperson of the lowAccess Advisory Council or the Chairperson's designee.
4. The State Technology Advisor in the Department of Economic Development.
5. The Executive Director of the ICN or the executive Director's designee.
6. Two Executive Branch department directors.
7. Five persons who are knowledgeable in information technology matters.
8. One person representing the Judicial Branch who shall serve in an ex officio, nonvoting capacity.
9. Four members of the General Assembly who shall serve in an ex officio, nonvoting capacity.

In November 2000, the Council reviewed and prioritized a list of technology project requests for funding in FY 2002 that totals \$79.3 million. The Council instructed the Director to forward the list of projects to the Governor and General Assembly for review and consideration. The following table lists the individual requests:

**Information Technology Council Evaluation  
Fiscal Year 2002 Pooled Technology Fund Requests**

<b>Rank</b>	<b>Agency</b>	<b>Project Description</b>	<b>Requested</b>
1	ICN	ATM Conversion Phase 3	\$10,500,000
2	ITD	Security Program	1,316,000
3	ITD	Digital Gov.- Increase Citizen Access	7,000,000
4	DHS	Service Delivery System	485,000
5	DHS	Data Warehouse	2,457,520
6	ITD	Enterprise Data Warehouse	2,311,546
7	ITD	Resource House - Electronic Community Resource Directory	225,000
8	Education	IPTV (Digital Television Conversion)	22,000,000
9	DHS	Construct and Implement Unified Front End System Interface	3,000,000
10	Education	Project Easier - Electronic Data Interchange	200,000
11	DHS	E – Commerce - Electronic Access to Services	1,062,797
12	DOC	Justice Data Warehouse	564,000
13	DHS	Federal Health Information Portability Accountability Act - HIPAA	5,151,380
14	DHS	Improve Child Care Management Information System	2,137,500
15	UNI	21st Century Learning Infrastructure	2,000,000
16	DRF	Enhance Electronic Tax Administration	846,500
17	DOM	Enterprise Resource Planning	11,155,000
18	Corrections	ICON Mercury - Continue Info. System Enhancement	421,176
19	Board of Parole	Parole Decision System	40,000
20	ITD	Storage Area Network	2,000,000
21	ITD	IT Reengineering Projects	1,000,000
22	IWD	Automate the Unemployment Insurance Services Tax System	1,300,000
23	DPD	Emergency Mgmt. (Electronic Transaction and Forms Mgmt.)	165,000
24	Ag.	E-Commerce - Electronic Licensing	1,610,253
25	ITD	Statewide Geographic Imagery Enhancement	136,000
26	Ag.	Laboratory Information Management System	80,000
27	Education	Vocational Rehabilitation (Information System Redesign)	123,540
<b>Total Request</b>			<b><u><u>\$79,288,212</u></u></b>

The Oversight Committee will consider the list and recommend to the Legislature which projects to fund and the source for those funds. In the past four years technology projects have been funded largely from reversions that would otherwise go to the General Fund. Listed below are the projects funded for FY 2001:

❖ The Governor is recommending the creation of a dedicated information technology funding stream of \$18.5 million from the Rebuild Iowa Infrastructure Fund for these types of projects. The Governor has not prioritized the projects at this time.

❖ In addition, the Governor is recommending \$71.3 million of bonding authority for the following projects on the Pooled Technology request list:

- \$37.3 million for the Enterprise Resource Planning system (Project 17)

- \$23.5 million to upgrade the Iowa Public Television transmitters for High Definition Television (Project 8)
- \$10.5 million for the Iowa Communications ATM upgrade (Project 1)

### Fiscal Year 2001 Pooled Technology Fund Projects

Projects (In the order listed in SF 2433)	Agency Req.	ITD Alloc.	Diff.
<b>Earmarked Projects</b>			
A -- Department of Education - Non-public School Technology	\$ 1,500,000	\$ 1,500,000	\$ 0
B -- UNI - 21st Century Learning	1,000,000	1,000,000	0
C -- ICN - ATM Conversion, Phase 2	3,500,000	3,500,000	0
D -- DOM - Trustee Budget System	200,000	<i>Vetoed</i>	-200,000
<i>Earmarked Projects</i>	<u>\$ 6,200,000</u>	<u>\$ 6,000,000</u>	<u>\$ -200,000</u>
<b>Block Grant Projects</b>			
E01 -- ITD - Process Project Office	\$ 250,000	\$ 250,000	\$ 0
E02 -- DHS - Continue Welfare Ref System (TANF)	760,384	760,000	-384
E03 -- DHS - Continue Child Support Recovery System	297,024	295,000	-2,024
E04 -- Corrections - ICON	655,141	655,000	-141
E05 -- IWD - Community Resource System	500,000	500,000	0
E06 -- ITD - Continue CJPJ Data Ware	608,390	665,000	56,610
E07 -- Ag and Land Stew - FAIM Info. System	132,600	130,000	-2,600
E08 -- Ag and Land Stew - Slide-In Test Equip (4 Units)	100,000	50,000	-50,000
E09 -- DHS - Electronic Benefits Transfer System	180,000	345,000	165,000
E10 -- Elder Affairs - Database Senior Health Care (Included in E05)	40,000	0	-40,000
E11 -- Secretary of State - UCC Update	300,000	350,000	50,000
E12 -- IPTV - Continue HDTV Conversion	7,000,000	1,488,818	-5,511,182
E13 -- ICN - ATM Conversion, Phase 3	3,500,000	300,000	-3,200,000
E14 -- Vets Home - Integrated Institutional Computer System	300,000	380,000	80,000
E15 -- DHS - Data Warehouse	1,681,520	1,030,000	-651,520
E16 -- Cultural Affairs - ICN Classroom	185,799	50,000	-135,799
E17 -- Education - Electronic Data Exchange	500,000	174,000	-326,000
E18 -- ITD - Online Professional License Renewal	1,000,000	1,200,000	200,000
E19 -- Public Health - Online Access to Vital Records	500,000	378,500	-121,500
E20 -- DRF - Online Tax Filings	2,000,000	925,000	-1,075,000
E21 -- DNR - Online Environmental Permitting (Included in E18)	1,000,000	0	-1,000,000
E22 -- ITD - Reengineering Projects	1,000,000	1,000,000	0
E23 -- DOM - Budget System Redesign	1,000,000	1,000,000	0
E24 -- ITD - Enter Security System Implementation	850,000	1,100,000	250,000
<i>Block Grant Projects</i>	<u>\$ 24,340,858</u>	<u>\$ 13,026,318</u>	<u>\$ -11,314,540</u>
<b>Grand Total</b>	<u><u>\$ 30,540,858</u></u>	<u><u>\$ 19,026,318</u></u>	<u><u>\$ -11,514,540</u></u>

## lowAccess

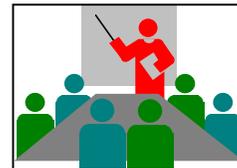
The General Assembly established the Iowa Access Council within ITD for the purpose of creating and providing a service to the citizens of this State that is the gateway for one-stop electronic access to government information and transactions, whether federal, State, or local. lowAccess is a State funded service providing access to government information and transactions and is to recommend fees to be charged for access to value added products and services provided by lowAccess. The Information Technology Council, in establishing the fees for value-



added services, is required to consider the reasonable cost of creating and organizing such government information through lowAccess.

The Board consists of 15 voting and four ex officio members from the following groups:

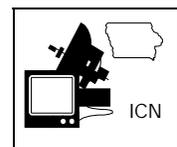
- Five private sector users represent sectors actively involved in the development of lowAccess and have primary interests in its success. Initially the following sectors should be represented:
  - Financial sector
  - Insurance sector
  - Legal sector
  - Media sector
  - Real estate sector
- Six custodians of State information:
  - Legislative Branch representatives
  - Judicial Branch representatives
  - Two local government representatives – one city and one county
  - Executive Branch representatives
  - Federal government (such as a representative from a regional office in Kansas City)
- Four citizen representatives
- Four legislators as the non-voting ex officio members



Voting Board members are Governor-appointed and hold three-year staggered terms. The Board elects its own officers from its membership.

## Iowa Communications Network (ICN)

The ICN was created by the 1989 General Assembly as a fiber optic “highway” capable of carrying all forms of communications traffic including voice, distance education, telemedicine, government information and services, and computer network data. Fiber optic technology



converts voice, video, and data signals into digital light impulses which are transmitted over hair-thin glass fibers.

The installation of the ICN began in 1991 as a three-part project:

- Part I consists of 20 connection sites. These include 15 regional centers located at each of the community colleges throughout the State, the three Regents universities, Iowa Public Television, and the State Capitol complex.
- Part II consists of 84 connection sites. These include separate fiber optic lines from the respective regional center to each of the remaining counties. These sites are typically known as the County Points of Presence.
- Part III, as proposed, specified the connection of at least 474 additional sites (mostly K-12 schools and libraries) in Fiscal Years 1996 to 1999 with approximate costs as follows:
  - During FY 1996 through FY 1998, 456 additional classrooms were added at a cost of \$54.9 million. The addition brought the total to 560 classroom sites. For FY 1998, the General Assembly had appropriated \$22.6 million for connecting classrooms. However, due to the age of the optics in the Network, the Iowa Telecommunications and Technology Commission (ITTC) decided to delay some connections and carried forward \$7.0 million of those funds into FY 1999, for possible conversion of the Network to Asynchronous Transfer Mode (ATM) and MPEG 2 technology. This new technology allowed for multiple classrooms at sites and addition of other sites (if authorized) by reducing the bandwidth necessary to carry the video signal and allowing the signal to travel any direction that is open across the Network.
  - In FY 1999, all remaining authorized sites were to be connected for \$18.9 million. However, completion of the facility preparation at 39 of the sites to be connected in FY 1999 was delayed, resulting in the Commission asking the General Assembly permission to connect those sites during FY 2000. When complete, the staff of the ICN expect more than 700 classrooms to be connected to the system at the 578 authorized sites. It had not been anticipated that numerous sites would want to connect more than a single classroom. This caused the ICN staff to propose changing to Asynchronous Transfer Mode and MPEG 2 technology to reduce the bandwidth necessary to transport a video signal and accommodate the greater number of classrooms. Additionally, the General Assembly allowed the carry-forward of unspent Part III funds and funds appropriated for the replacement of failing optical components to FY 2000, for the change of the Network to a ring typology utilizing the Asynchronous Transfer Mode and MPEG 2 technology as requested. Approximately \$9.0 million was carried forward.
  - In FY 2000 and FY 2001, the ICN has worked to complete connection of the remaining 39 authorized Part III sites and the creation of the first Asynchronous Transfer Mode ring in southwestern Iowa, and nearly completed the ring in

Northwest Iowa. When complete, this will result in the Network having redundancy and allowing the rerouting of signals between sites if a line is damaged. The Commission had requested \$7.0 million for FY 2001 for the second phase of the transition, but only received \$3.8 million from the Pooled Technology Account. In order to complete the transition as expeditiously as possible, the Commission will be asking for an additional \$10.2 million for FY 2002.

Parts I and II of the ICN were completed at a cost of \$114.5 million which was funded by Certificates of Participation. Parts I and II are typically referred to as the "backbone" of the Network, and the connections are owned by the State. Part III connections are constructed by private vendors and most are leased by the State, except for 21 sites that are owned by the State as the result of a National Guard ICN project. The majority of the Part III sites are K-12 schools and libraries. All Part III sites are now connected and any additional sites will have to be approved by the General Assembly and pay the full costs of connecting to the ICN. During the 2000 Legislative Session, the General Assembly did not authorize any new users. However, the number of classrooms on the Network continues to grow as some users add additional classrooms.

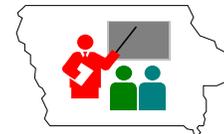


**Interactive Video Sites**

As of December 1, 2000, 736 full-motion, interactive video classroom sites had been connected to the ICN. These included:

**Iowa Communications Network**

	<u>Sites</u>
Area Education Agencies	16
Community Colleges	99
K-12 School Districts	385
Other Education	8
Libraries	43
Medical Facilities	9
Private Colleges	19
Regents Institutions	31
National Guard	56
State Agencies	51
Federal	15
Miscellaneous	4
Total Classrooms	<u><u>736</u></u>



Authorized users of the network currently include the Iowa National Guard, Iowa Public Television, libraries, State government agencies, community colleges, Regents institutions, private colleges and universities, all local school districts, area education agencies, hospitals and physician clinics, federal agencies, Iowa judicial

and corrections systems, the United States Postal Service, and the Quad Cities Graduate Center.

### Video Rate Changes

The ICN is governed by the Iowa Telecommunications and Technology Commission. The Commission has five voting members and the State Auditor serves as an ex officio nonvoting member.

During the 2000 Legislative Session, the Oversight and Communications Appropriations Subcommittee requested that the Commission develop and submit a long-term plan that would eliminate, by June 30, 2007, the need for legislatively appropriated funds to be used for subsidization of network costs. A draft plan was submitted to the Oversight Committee in November and the final plan will be submitted prior to the beginning of the 2001 Legislative Session.

The Commission reviewed the current rates charged for video usage and adopted the following rates at the September meeting. This is the third consecutive year that user rates have increased in an effort to reduce dependence on State subsidization for the operation of the Network. The rates will be effective July 1, 2001.

<u>User Group</u>	<u>Rate Change</u>
K-12 Education	From \$5.75 to \$6.10 per hour per site
Higher Ed./Training	From \$7.00 to \$7.35 per hour per site
Administrative Use	From \$12.60 to \$13.40 per hour per site
Telemedicine	From \$42.15 to \$48.20 per hour per site
Federal	From \$42.15 to \$48.20 per hour per site



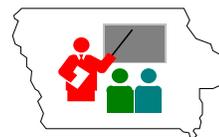
Due to the rate of growth in video usage being below projections for the past two years, the rates for telemedicine and federal users (users charged the total cost) increased as the fixed costs of the Network are spread across a lower than projected number of video hours of usage. Chapter 8D.3(3)(i), Code of Iowa, requires that "A fee established by the Commission to be charged to a hospital licensed pursuant to chapter 135B, a physician clinic, or the federal government shall be at an appropriate rate so that, at minimum, there is no state subsidy related to the costs of the connection or use of the network related to such user."

This has resulted in an increase of the rates over the past year (not including debt service) from \$42.15 to \$48.20 per hour for these users. As the build out is completed and usage continues to increase, the fixed costs per hour will decline

and will result in some decrease in rates for these users. Educational users have been subsidized by an appropriation from the General Assembly, while Administrative and Higher Education/Training users have been cross subsidized by paying slightly higher rates for voice and data services to compensate for the low cost of video services.

## IOWA SCHOOL FOUNDATION FORMULA

The Iowa School Foundation Formula was created between 1970 and 1972, for the school year beginning July 1, 1972. The Formula is a student-driven financing mechanism that works to equalize revenues from state sources and property taxes. The Formula was revised in 1989 to equalize per pupil spending, provide an enrollment cushion (phantom students), increase property tax relief, and provide for increased local discretion. In 1992, further revisions to the Formula included eliminating advanced funding for increasing enrollment, eliminating the enrollment decline cushion (phantom students), and requiring the Governor and General Assembly to establish the allowable growth rate each year for per pupil expenditures, which was previously established by a formula based on the rate of inflation and State revenue growth. The 1999 Legislature further revised the School Foundation Formula by raising the foundation level for the special education component of regular program cost from 79.0% to 87.5%. In addition, funding for talented and gifted programs was shifted from 100.0% property tax to the regular program portion of the foundation formula by adding \$38 to the State cost per pupil beginning with FY 2000.



In 1995, the Legislature established the practice of setting allowable growth two years in advance within 30 days of the submission of the Governor's budget. The 1996 Legislature set allowable growth for FY 1998 and FY 1999 at 3.5%. The 1998 Legislature set allowable growth for FY 2000 at 3.0%. The 1999 Legislature set allowable growth for FY 2001 at 4.0% and the 2000 Legislature set allowable growth for FY 2002 at 4.0%. Under current law, the General Assembly will have to set allowable growth in the 2001 Legislative Session for FY 2003.

The School Foundation Formula is based on basic enrollment, a school district's regular program cost per pupil, state aid determined by a foundation level, and an amount generated by the uniform property tax levy. In addition, school districts may obtain authority to raise additional property tax revenues from the School Budget Revenue Committee (SBRC) for drop-out prevention programs, to accommodate unusual increases or decreases in enrollment, to meet additional special education program needs, as well as for a variety of unusual circumstances specified in Section 257.31, Code of Iowa. Other optional funding sources available to districts in the general education fund area include the cash reserve levy, management levy, and enrichment levy.



Local school districts have a number of optional funding sources available to them for non-general education fund activities. The levies are used for building construction, building maintenance, equipment purchases, and certain operational

expenditures. These include: debt service levy, schoolhouse property tax levy, physical plant and equipment levy, and the educational and recreation levy.

Under current law, State aid is estimated to increase by \$62.2 million (3.6%) for FY 2002 compared to FY 2001 (See Table 1). Property taxes are estimated to increase by \$31.3 million (3.4%) for FY 2002 compared to FY 2001. The total controlled budget is estimated to increase \$93.5 million (3.5%) for FY 2002 compared to FY 2001.



**Table 1**  
**FY 2002 State Aid Estimate**  
**Based Upon Preliminary Enrollment Figures**  
(Dollars in Millions)

<b>FY 2001 State Aid</b>		\$ 1,747.3
<b>FY 2002 Changes:</b>		
Allowable Growth (4.0%)	91.1	
Basic Enrollment Change (Assumed)	-15.2	
Special Education Increase (Assumed)	11.6	
Supplemental Weighting Increase (Assumed)	1.5	
ESL Weighting Increase (Assumed)	2.0	
Taxable Valuation Increase (Assumed)	-24.2	
M&E Valuation Reduction (Assumed)	-3.6	
Miscellaneous	-1.0	
<b>Total FY 2002 Changes</b>		62.2
<b>Estimated FY 2002 State Aid</b>		\$ 1,809.4

*Totals may not add due to rounding.*

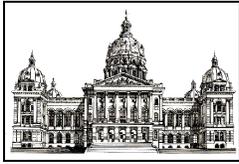
*Estimates are subject to change due to the certification of final enrollments by the Department of Education.*

The estimated FY 2002 enrollment decreased by 4,262.8 students (0.9%) compared to FY 2001. The enrollment count is taken on the third Friday of September each year. The decrease represents the fourth straight year of decline in enrollment, and this trend is expected to continue for the next several years. Special Education weightings are expected to increase by 4.0%. Supplemental weighting for shared programs is expected to increase by 16.9%. Supplemental weighting for Limited English Proficiency is expected to increase by 9.3%. Supplemental weighting for At-Risk students is not expected to change. Taxable valuations are assumed to increase by 5.0%.

During the 2000 Legislative Session, HF 2496 (The Supplemental Weighting for At-risk Students Act) was approved. This program provides an additional supplemental weighting for students and is based on the number of students in grades one through six that qualified for the free and reduced lunch program during

the base year and on the enrollment. The estimated FY 2001 cost of this new program is approximately \$7.1 million in State aid.

Senate File 2252 (The Elimination of the Future Repeal of the School Finance Formula Act) was passed by the 2000 General Assembly. The Act repeals a provision that would have sunset the current school foundation aid formula on July 1, 2001. The Act also provides that the school foundation formula is subject to legislative review at least every five years. The first report by the legislative interim committee is due January 1, 2005.



**Table 2** displays the estimated increases for FY 2002 compared to FY 2001 at various growth rates as estimated by the Legislative Fiscal Bureau (LFB). Contact the LFB for further explanation of the assumptions and any additional detail.

**Table 2**  
**Estimated FY 2003 Changes Compared to FY 2002**  
**at Various Allowable Growth Rates Based upon Preliminary Enrollment Figures**  
(Dollars in Millions)

Allowable Growth	State Aid		Property Tax		Total Budget	
	Change	% Change	Change	% Change	Change	% Change
0.0%	\$ -28.3	-1.6%	\$ 24.8	2.6%	\$ -3.5	-0.1%
0.5%	-16.4	-0.9%	26.6	2.8%	10.2	0.4%
1.0%	-5.1	-0.3%	28.7	3.0%	23.6	0.9%
1.5%	7.3	0.4%	30.2	3.2%	37.6	1.4%
2.0%	18.6	1.0%	32.3	3.4%	50.9	1.8%
2.5%	29.9	1.7%	35.0	3.7%	64.9	2.3%
3.0%	41.2	2.3%	37.1	3.9%	78.3	2.8%
3.5%	53.1	2.9%	39.2	4.1%	92.3	3.3%
4.0%	65.0	3.6%	40.7	4.3%	105.7	3.8%
4.5%	76.8	4.2%	42.8	4.5%	119.6	4.3%
5.0%	88.1	4.9%	45.5	4.8%	133.6	4.8%
5.5%	99.4	5.5%	47.6	5.0%	147.0	5.3%
6.0%	111.3	6.2%	49.7	5.2%	161.0	5.8%

Assumptions:

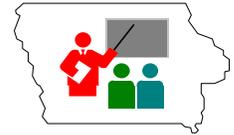
	FY2001	FY2002
1. Estimated State Aid:	<u>\$1,747,274,983</u>	<u>\$1,809,444,129</u>
2. Estimated Property Tax:	<u>923,109,394</u>	<u>954,392,942</u>
3. Estimated Total Budget:	<u>\$2,670,384,377</u>	<u>\$2,763,837,071</u>
4. The estimates are based on 371 school districts.		
5. Special education weightings are assumed to increase by 4.0%.		
6. Property tax valuation is assumed to increase by 5.0% for FY 2002 and 4.5% for FY 2003.		
7. Enrollments are assumed to decrease by 0.75% compared to the FY 2002 level.		

❖ *For FY 2002, the Governor is recommending an increase of \$59.0 million in State aid compared to FY 2001. The Governor is recommending 4.0% allowable growth for FY 2003 at an estimated cost of \$63.7 million.*

# EDUCATION ISSUES

## Increases/Decreases in Current Initiatives Requested

The Department of Education has requested increased/decreased funding in several education areas for FY 2002. They include:



- **Community College General Aid** – An increase of \$9.3 million to bring total funding to \$156.9 million for FY 2002. The request is based upon the funding formula proposed by the Department of Education in January 1998. The formula calculates the annual increase in funding based on 75.0% of the FY 2001 adjusted general operating budgets of the community colleges (\$232.8 million) multiplied by the K-12 allowable growth rate (4.0%). *The Governor is recommending an increase of \$5.0 million for community colleges.*
- **National Teacher Certification Stipends** – A decrease of \$1.4 million to eliminate direct funding for this program for FY 2002. Continuation of the program is anticipated in the Department of Education's request for \$62.2 million for teacher compensation (see "Teacher Salaries"). *The Governor is recommending a decrease of \$1.4 million as requested by the Department.*

Features and Results of the Program:

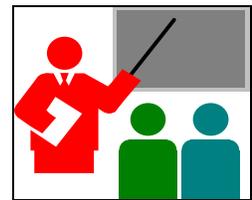
- There were 156 Iowa teachers who achieved national certification prior to May 1, 2000. Each will receive an annual stipend of \$5,000 for up to ten years. Eight Iowa teachers had already achieved certification when the Program was established. Each received a one-time award of \$10,000.
- Each qualified teacher who registers for national certification between January 1, 1999, and January 1, 2002, and achieves certification within three years of the date of initial score notification will receive an annual award of \$2,500 for up to ten years. There are currently 119 candidates in this category who are awaiting notification.
- A one-time reimbursement of one-half of the registration fee is awarded to qualified teachers who register prior to June 30, 2002. Registration fees were \$2,000 in FY 1999 and FY 2000 and increased to \$2,300 in FY 2001. The State reimbursement is based on half of the fee minus any fee waiver from the National Board for Professional Teaching Standards. Reimbursements totaling \$135,000 were awarded to 231 applicants in

FY 1999. In FY 2000, reimbursements totaling \$29,000 were awarded to 87 applicants.

- Upon certification, qualified teachers are reimbursed for the remainder of the registration fee. In FY 1999, 145 applicants received this reimbursement at \$1,000 each. FY 2000 candidates are still awaiting notification of their results.
- **Beginning Teacher Induction/Mentoring Program** – A decrease of \$775,000 to eliminate direct funding for this program for FY 2002. Continuation of the Program is anticipated in the Department of Education’s request for \$62.2 million for teacher compensation (see “Teacher Salaries”). The funding is being utilized by the Department to establish and implement a beginning teacher induction program to promote excellence in teaching. For FY 2000, a \$300,000 appropriation was used for grants to school districts to implement the Induction Program plans and to provide mentors with awards of \$500 per semester of participation allowing for approximately 15.0%-20.0% of all new teachers to participate in the Program. The FY 2001 appropriation of \$750,000 allowed the Program to be expanded to include another 15.0%-20.0% of new teachers. *The Governor is recommending a decrease of \$775,000 as requested by the Department.*
- **❖ State Library/Enrich Iowa’s Libraries** – *The Governor is recommending a decrease of \$1.4 million for the State Library and an increase of \$1.0 million for Enrich Iowa’s Libraries. This recommendation eliminates funding for Access Plus and shifts Open Access funding to Enrich Iowa’s Libraries. To receive Enrich Iowa Libraries funding, libraries would be required to offer Open Access. The Governor is also recommending \$500,000 from the Rebuild Iowa Infrastructure Fund for this initiative.* 
- **Class Size Reduction** – In 1999, the General Assembly passed HF 743 (Early Intervention Block Grant Program Act), which appropriated \$10.0 million to reduce class size in kindergarten through third grade as follows:
  - Reduce the student-to-teacher ratio to the State goal of 17 students for every one teacher.
  - Improve the basic skills of the students in reading, mathematics, and writing.
  - Increase communication and accountability regarding student performance.In addition to the FY 2001 appropriation of \$20.0 million for the Program, House File 743 authorized future General Fund appropriations of \$30.0 million for FY 2002 and \$30.0 million for FY 2003. *The Governor is recommending \$10.0 million in new funding for FY 2002 as provided in statute.*

The College Student Aid Commission is requesting increased funding for the following Programs:

- **Teacher Shortage Forgivable Loan Program** – An increase of \$575,000 to provide loans to approximately 190 more students. The Program provides loans of up to \$3,000 per year to Iowa students in teacher education programs who agree to major in subject shortage areas. After graduation, a percentage of the loan is forgiven each year the recipient teaches in Iowa in a shortage area, until the loan is forgiven in full at the end of five years. The Program received an FY 2001 appropriation of \$525,000. *The Governor is not recommending increased funding for this Program.*
- **Tuition Grant Program** – The Commission is requesting an increase of \$3.9 million for the Tuition Grant Program to increase the maximum grant from \$4,000 to \$4,200, increase the average grant from \$3,299 to \$3,448, and increase the number of recipients receiving the average grant from 14,800 to 15,300. *The Governor is recommending an increase of \$1.1 million for the Program to increase the maximum grant from \$4,000 to \$4,100 and the average grant from \$3,300 to \$3,400 for 14,765 participants.*
- **Foster Care Grant Program** – The Commission is requesting an increase of \$65,000 to continue a Program to provide scholarships for foster care children. The Program was established in FY 2001 by utilizing a portion of the interest earned on the Commission's federal reserve fund. *The Governor is recommending funding of \$65,000 for this Program.*



## New Education Initiatives Requested for FY 2002

The Department of Education is requesting funding for the following new education initiatives:

- **Teacher Compensation** – The Department of Education is requesting \$62.2 million to increase teacher salaries across the State. *The Governor is recommending a FY 2001 supplemental appropriation of \$42.0 million to increase teacher salaries across the State.*
- **❖ Governor's Education Roundtable** – *A new recommendation of \$95,000 to establish the Governor's Education Roundtable to promote cooperation among educators and seamless delivery of education to Iowans at all levels.*

The College Student Aid Commission is requesting funding for the following new program:

- **“Yes You Can Grant” Program** – The Commission is requesting \$337,000 for FY 2002 to provide State matching funds to administer the scholarship portion of the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) Program. The Commission intends to call these “Yes You Can Grants.” A consortium of State organizations has requested federal assistance to serve junior high and high school students that are at-risk of dropping out of school. *The Governor is not recommending funding for this Program.*

### Summary of Interim and Other Education Studies

During the 2000 Interim, several groups met to study education issues.

- **Community College Statewide Strategic Plan** – During the 2000 session, the General Assembly directed the Community College Council to prepare a five-year statewide strategic plan at least once every five years and submit it to the State Board of Education for adoption. The legislation required the State Board of Education to submit a preliminary report to the General Assembly on the initial statewide strategic plan by December 1, 2000, with a full report due January 15, 2001. The Department of Education is required to implement the initial plan by July 1, 2001.



The current draft of the plan establishes four goals for the Community Colleges:

- Provide high quality, comprehensive, educational programs and services accessible to all Iowans.
- Develop high-skilled workers to meet the demands of Iowa’s changing economy.
- Maximize financial and human resources to assure provision of comprehensive community college services to Iowans and to allow Iowa to compete on a national and international level.
- Demonstrate effectiveness and efficiency for achieving the system mission and goals.

Initiatives under these goals include:

- Strengthening collaborative relationships with K-12 districts, business and industry, Iowa Workforce Development, Department of Economic Development, and other systems serving special needs populations.
- Establishing a mechanism to identify two- to five-year projected costs increases and re-examining the current funding mechanism that supports community colleges.
- Developing a compensation package for faculty and staff to be commensurate with the national average within five years.
- Developing a set of performance indicators common to all community colleges.
- Collecting one- and five-year implementation plans related to the statewide strategic plan from each community college and issuing an annual report.
- **AEA Reorganization Study** – During the 2000 session, the General Assembly directed the Department of Education to complete a study and make recommendations regarding reorganization of the 15 Area Education Agencies. Recommendations resulting from the study are due to the General Assembly by December 15, 2000.
- **Governor's Council on Educator Quality** – The Iowa Council for Continuous Improvement in Education was formed in 1998 and endorsed by Governor Vilsack in 1999. Members of the Council included representatives from various educational entities and private business. The Council met regularly to identify a broad range of issues facing education in Iowa. In March 2000, Governor Vilsack appointed several new members and revised the charge of the Council to focus specifically on teacher recruitment, a system for better predicting supply and demand of educators, selection and hiring processes, placement of teachers, and professional development systems. At that time, the Iowa Council for Continuous Improvement in Education was renamed the Iowa Council on Educator Quality.



The Council submitted its report to the State Board of Education in October 2000. It included the following recommendations:

- The Council supports the development and implementation of a professional growth and compensation system.

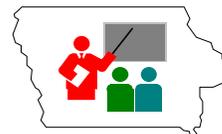
- The Council supports the development and implementation of both early identification and non-traditional programs for the recruitment of young people and adults into the profession of teaching.
- The Council supports the development and implementation of a State of Iowa coordinated recruitment, incentive, and professional respect effort to attract people to teaching as a profession and to facilitate their entry into teaching positions in Iowa.
- The Council supports the development and implementation of a statewide system for the identification, education, and retention of administrators to lead the schools and school districts of Iowa.
- The State of Iowa should develop and support an expanded statewide induction program to guarantee that a teacher employed in an initial assignment in an Iowa school district receives mentoring and support services during the first three years of teaching.
- The State of Iowa should provide a Human Resources Management Training Program for school personnel responsible for hiring teachers, administrators, and other school personnel.
- The State of Iowa should create an incentive program to attract people to education in Iowa.
- The State of Iowa should require that school districts include in their school improvement plans a component that establishes a retention program for teachers and administrators.
- The State of Iowa should provide financial support to school districts to increase the contractual days for teachers to 200. (Currently, most teacher contracts in Iowa are 190 days in length.)
- The State of Iowa should develop and implement a statewide system for the preparation and certification of paraprofessionals to work in the schools of Iowa.
- The State of Iowa should design and fund a system whereby National Board certified teachers could be associated with State-approved teacher preparation programs and Area Educational Agencies to bring their expertise to the teacher education programs and to pre-service and in-service teachers.
- Iowa institutions of higher education that offer graduate programs in education should design and deliver Masters-level programs reflecting the standards emphasized by the National Board for Professional Teaching

Standards, the school improvement goals of participating schools or districts, and the career advancement needs of participating teachers.

- School districts should include in their school improvement plans opportunities for teachers and administrators to participate in professional development activities outside the field of teaching.
- **Teacher Compensation Study Reports** – During the 2000 interim, two separate groups made recommendations concerning teacher compensation, retention, and recruitment. The *Business Forum on Education*, chaired by Marvin Pomerantz, made its recommendations at the request of legislative leaders. The *Educator Compensation Design Team*, chaired by John Forsyth, was established at the request of the Governor.

The *Business Forum on Education* recommendations included an annual cost estimate of \$250 million when fully implemented. The recommendations included the following:

- Create a professional teacher salary schedule that links salary levels to performance as well as bonuses for improved student performance.
- Revise the State's licensure system and adopt professional standards for teacher performance as part of the licensure system. The professional standards would reflect different expectations for different teacher experience levels and would be based on the Interstate New Teacher Assessment and Support Consortium standards for new teachers, the Association for Supervision and Curriculum Development standards for career teachers, and the National Board for Professional Teaching Standards for experienced, accomplished teaching.
- Develop a new teacher evaluation system that would assess each teacher's performance to the applicable standards and link the system to compensation and licensure.
- Increase the average teacher salary in the State to the national average and benchmark the salaries at key career points so that the teaching profession remains competitive. Fund these increases with State funds through the school finance formula.
- Provide school-based incentives to all teachers, administrators, and education support staff in a school that meets or exceeds pre-set targets for annual improvements in student performance. Fund these bonuses with State dollars.



- Allow local school districts to negotiate the specifics of the framework, as it would apply to a district, as well as various implementation transition issues.

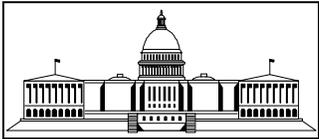
The *Educator Compensation Design Team* recommendations included an annual cost estimate of between \$246 million and \$305.4 million when fully implemented. The recommendations included the following:

- Establish a national, market-driven salary structure for beginning, career, and advanced teachers.
- Provide additional recognition for nationally board-certified teachers including teachers with incremental professional responsibilities and teachers focused in shortage areas.
- Link base pay to an individual teacher's professional development and growth.
- Create variable pay opportunities for teams of educators who demonstrate continuous improvement in student achievement.
- Provide support systems to enable professional development and encourage retention.
- Fund the increased cost of teacher compensation through new funding, reallocation of existing State appropriations, and elimination of inefficiencies at both the State and local level.

During December 2000, members of the Iowa Legislature, representatives from the Governor's office, and representatives from the Department of Education met to discuss a possible framework for teacher compensation legislation. As of January 3, 2001, no recommendations have been made by this group.

# CHILDREN'S HEALTH INSURANCE PROGRAM

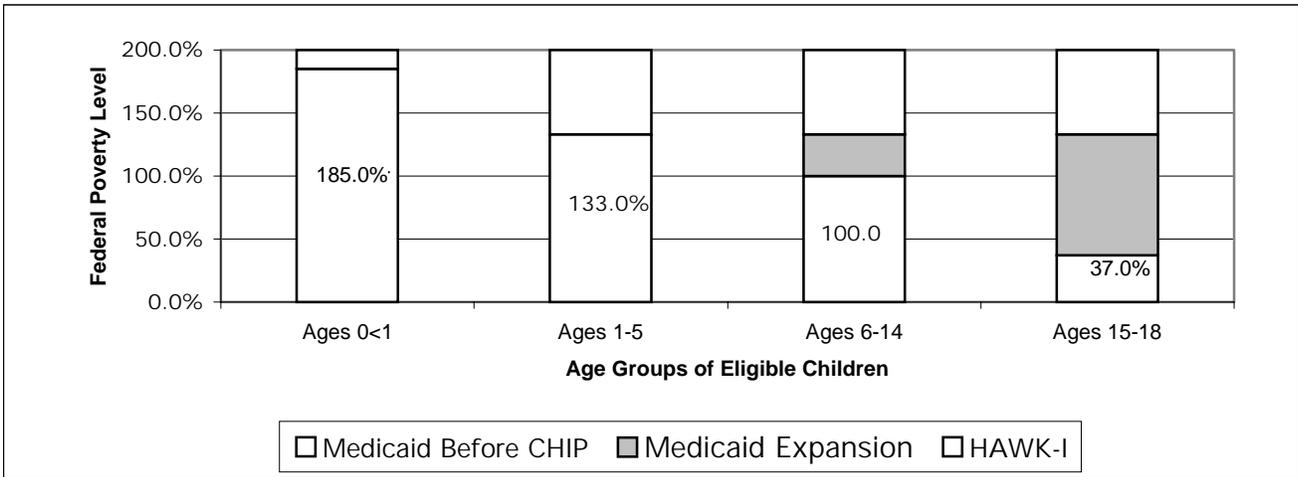
The federal Balanced Budget Act of 1997 (HR 2015) created the Children's Health Insurance Program (CHIP), under Title XXI of the Social Security Act, to enable states to provide health coverage to uninsured, low-income children.



## Iowa's Children's Health Insurance Program

Iowa's chosen option for implementing the CHIP is a combination of Medicaid expansion and a new program entitled Healthy and Well Kids in Iowa (HAWK-I). House File 2517 (Healthy and Well Kids in Iowa Program Act) expanded Medicaid coverage for children to 133.0% of the Federal Poverty Level effective July 1, 1998, and created the HAWK-I Program for children in families with incomes up to 185.0% of the Federal Poverty Level effective January 1, 1999. House File 2555 (FY 2001 Tobacco Settlement Fund Appropriations Act) expanded the HAWK-I Program to provide coverage for children with family incomes ranging from 185.0% to 200.0% of the Federal Poverty Level effective July 1, 2000.

The following graphic indicates by Federal Poverty Level and age group which Program options cover eligible low-income children:



The Department of Human Services (DHS) estimates that 16,000 children in the State are eligible for the Medicaid expansion, many of them siblings of younger Medicaid eligibles, and 40,000 children in the State are eligible for the HAWK-I Program. As of October 30, 2000, 15,800 children had enrolled in Iowa's Children's Health Insurance Program, with approximately 51.7% enrolled in the Medicaid expansion and 48.3% enrolled in the HAWK-I Program. The FY 2001

appropriation for the Children's Health Insurance Program was based on 17,600 children being enrolled in the Program by the end of FY 2001.

### **State and Federal Funds Appropriated**



The federal FY 2000 CHIP allotment for Iowa is \$32.4 million in federal funds, based on the federal Health Care Financing Administration estimate of 67,000 uninsured children in Iowa. The FY 2001 General Fund appropriation for the Program is \$5.2 million. The DHS is also expected to expend \$6.6 million of funds carried forward in the HAWK-I Trust Fund. The combined \$11.8 million is eligible for a federal match of \$31.1 million, for total funding of \$42.9 million.

Iowa is one of 38 states expected to revert federal funding to the Children's Health Insurance Program redistribution account in January 2001. Federal legislation provided states three years in which to spend each year's federal allocation for the CHIP. Iowa received its first federal allotment in October 1997, and has yet to expend \$6.1 million of the federal FY 1998 allotment. Various bills are pending in Congress which could permit Iowa to retain all or a portion of the \$6.1 million for use in FY 2001.

### **Implementation Issues**

The General Assembly may wish to consider the following issues:

- Buy-in options for low-income parents or families above 200.0% of the poverty level.
- Presumptive eligibility to provide immediate coverage for applicants until actual eligibility can be determined.
- Revision of coverage provisions specified by the DHS to increase the number of insurance providers and managed care organizations submitting bids to administer the CHIP. As of October 30, 2000, Iowa had contracted with three managed care providers serving 44 counties and one private insurer serving 55 counties.
- Coverage for special needs children.



## ENVIRONMENTAL ISSUES

❖The Governor's recommendations regarding the environment include:

- Protect and improve Iowa's water resources.
- Encourage all Iowans to serve as stewards of our natural and cultural resources.
- Ensure a sustainable environment and high quality outdoor recreation.
- Increase environmentally sustainable business practices.
- Use energy efficiently.

The following details these issues:

### ❖Protect and Improve Iowa's Water Resources

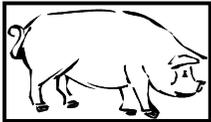
- Increase in funding from the Fish and Game Protection Fund and 2.0 FTE positions to explain the benefits of implementing agricultural conservation programs to landowners. The Governor is recommending \$200,000 in funding from the Fish and Game Protection Fund.
- Increase in funding to the Private Land Access Program to obtain recreational activities agreements with landowners that are currently enrolled in federal conservation programs. The Governor is recommending \$1.3 million in funding from the Environment First Fund.
- Increase in funding for contract positions for floodplain protection programs and to reduce the backlog of floodplain permit applications. The Governor is recommending \$200,000 in funding from Stormwater Permit Fees.
- Increase of 3.0 FTE positions to establish the federally-mandated Comprehensive Planning Process (CPP) for managing the State's water resources. The Governor is recommending \$300,000 in funding from federal funds.
- Increase in funding and 5.0 FTE positions for expansion of the federal Total Maximum Daily Load (TMDL) Program. The Governor is recommending \$300,000 in funding from the General Fund and there will be \$300,000 in matching federal funds.



- Increase in funding to expand the Water Quality Monitoring Network to provide data on the water quality in Iowa. The Governor is recommending \$3.0 million in funding from the Environment First Fund.
- Increase in funding to assist landowners with the closing of agricultural drainage wells. The Governor is recommending \$500,000 in funding from the Environment First Fund.

**❖ Encourage All Iowans to Serve as Stewards of Our Natural and Cultural Resources**

- Increase in funding and an increase of 1.0 FTE position as a Volunteer Coordinator to expand the Keepers of the Land Volunteer Program. The Governor is recommending \$130,000 in funding from the Environment First Fund.

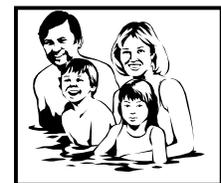


- Encourage shared responsibility of environmental concerns between livestock owners and livestock producers.
- Create State guidelines regarding livestock production at confinement facilities to give local officials control over livestock confinement operations.

**❖ Ensure a Sustainable Environment and High Quality Outdoor Recreation**

- Increase in funding to the Resource Enhancement and Protection (REAP) Fund for acquisition and management of public land and to provide environment education, research, and monitoring. The Governor is recommending \$12.5 million in funding from the Environment First Fund.
- Increase in funding for a Governor's Symposium on completing natural resource inventories and protection plans to identify and safeguard unique landforms and ecosystems. The Governor is recommending \$125,000 in funding from the Environment First Fund.

- Increase in funding to expand the facilities and activities at an existing State Park or recreation area to develop a destination park that would attract vacationers and accommodate families and other groups for reunions, meetings, and other activities in a natural setting. The Governor is recommending \$1.0 million in funding from the Rebuild Iowa Infrastructure Fund (RIIF).



- Increase in funding and an increase of 3.0 FTE positions for additional staffing at Maquoketa Caves, Bellevue, and Stone State Parks. The Governor is recommending \$130,000 in funding from the General Fund.

**❖ Increase Environmentally Sustainable Business Practices**

- Develop an Iowa Fuel Quality Standard with attention given to ethanol use. This would develop additional corn-based product markets and create value-added processing jobs within the State.
- Recognize business enterprises that excel in environment protection and land stewardship with the Governor’s Iowa Environmental Excellence Awards.
- Provide marketing grants to enhance Iowa’s landfill policies that will improve groundwater quality and reduce levels at Iowa landfills.

**❖ Use Energy Efficiently**

- Recommendations will be made by the Governor’s Energy Policy Task Force to provide more efficient use of Iowa’s energy.

The following table summarizes the Governor’s recommendations.

Governor’s Program	Funding Source	Governor’s Recommendation	Purpose
Water Resources	Fish and Game Protection Fund	\$ 200,000	Hire 2.0 FTE positions for Private Land Access Program
Water Resources	Environment First Fund	1,250,000	Encourage access from landowners enrolled in federal programs
Water Resources	Stormwater Permit Fees	200,000	Reduce processing time of floodplain permit applications
Water Resources	Federal Funds	300,000	Establish federally-mandated Comprehensive Planning Program
Water Resources	General Fund Federal Funds	300,000 300,000	Hire 5.0 FTE positions and contract personnel for TMDL calculations
Water Resources	Environment First Fund	3,000,000	Expand water quality monitoring network
Water Resources	Environment First Fund	500,000	Fund agricultural drainage well closures

Governor's Program	Funding Source	Governor's Recommendation	Purpose
Stewardship	Environment First Fund	\$ 130,000	Hire 1.0 FTE position for the Keepers of the Land Volunteer Program
Outdoor Recreation	Environment First Fund	12,500,000	Increase funding to REAP
Outdoor Recreation	Environment First Fund	125,000	Governor's Symposium on natural resource inventories
Outdoor Recreation	RIIF	1,000,000	Destination park
Outdoor Recreation	General Fund	135,000	Hire 3.0 FTE positions for additional State park personnel

## INFRASTRUCTURE, DEFERRED MAINTENANCE, MAJOR MAINTENANCE, AND NEW CONSTRUCTION

### Governor's Recommended Changes to Infrastructure Funding

❖ The Governor is recommending various changes to the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2002. The recommended changes include:

- Transferring \$10.0 million from Motor Vehicle Use Tax receipts to the Fund.
- Depositing Lottery revenues in the RIIF and dedicating these revenues to the Environment First Fund appropriation in order to market the lottery as supporting the environment.
- Reducing the amount of gambling revenues dedicated to RIIF by increasing the amount that is deposited to the General Fund by \$70.0 million. Currently, the first \$60.0 million in gambling revenues is deposited in the General Fund. Under the Governor's proposal, the General Fund would receive the first \$130.0 million.
- Deappropriating \$15.6 million of prior appropriations to the Board of Regents for construction projects.
- Delaying the construction of the 170-bed facility at the Iowa Medical Classification Center in Oakdale and allowing the reversion of \$5.2 million in FY 2002. The Department was appropriated a total of \$6.3 million in FY 1999 and FY 2000. Of this amount, \$5.2 million has not been expended.

The following table shows the Governor's recommended changes for the RIIF for FY 2001 and FY 2002. A list of the FY 2002 recommendations by State agency is included in the Transportation, Infrastructure, and Capitals Appropriations Subcommittee section of this document.

**Rebuild Iowa Infrastructure Fund  
Governor's Recommendations**  
(Dollars in Millions)

	<u>FY 2001</u>	<u>FY 2002</u>
<u>Resources</u>		
Beginning Balance	\$ 20.3	\$ 7.0
Revenue		
Accrued Interest	34.1	36.9
Gambling Receipts	114.3	52.8
Motor Vehicle Use Tax	0.0	10.0
Lottery Revenue	0.0	32.5
Marine Fuel Tax	2.3	2.3
Total Revenue	<u>150.7</u>	<u>134.5</u>
Total Available Resources	<u>\$ 170.9</u>	<u>\$ 141.5</u>
<u>Appropriations</u>		
Enacted Appropriations	\$ 165.2	\$ 74.4
Deappropriations	0.0	-15.6
Recommended Appropriations	0.0	86.5
Total Appropriations	<u>\$ 165.2</u>	<u>\$ 145.3</u>
Reversions	\$ -1.3	\$ -5.2
Ending Balance	<u>\$ 7.0</u>	<u>\$ 1.4</u>

Note: Numbers may not add due to rounding.

**Governor's Bonding Recommendations**

❖ The Governor's recommendations include bonding for approximately \$188.5 million for various projects. The recommendations include:

- \$55.2 million in Academic Revenue Bonds for capital projects at the three Regents universities.
- \$62.0 million for the construction of a State laboratory facility for use by the State Medical Examiner, Division of Criminal Investigation, and the Department of Agriculture Hygienic Lab.
- \$23.5 million to upgrade the Iowa Public Television transmitters for the conversion to High Definition Television by the year 2003.
- \$10.5 million for changing the laser optics in the Iowa Communications Network (ICN) to Asynchronous Transfer Mode (ATM) technology.
- \$37.3 million to implement the Enterprise Resource Planning for State Technology which is designed to enhance electronic services of State government to the public.

## Current Infrastructure Funding and Background on State Facilities

The State of Iowa owns an estimated 48.4 million square feet of building space. The following table shows the approximate square feet of building space for each agency. The Department of General Services coordinates the maintenance and construction for all State agencies except for the Board of Regents and the Departments of Transportation, Public Defense, and Natural Resources.

<u>State Agency</u>	<u>Approximate Square Footage</u>
General Services	10,300,000
Board of Regents	30,100,000
Transportation	3,000,000
Natural Resources	1,920,000
Public Defense	3,100,000
Total	<u>48,420,000</u>

In FY 2000, the Department of General Services completed a comprehensive inventory of state-owned infrastructure that includes a detailed assessment of the structural and internal needs of State facilities. The assessment identifies major maintenance and improvement needs of State facilities under the purview of the Department of General Services. According to the assessment, there is in excess of \$480.0 million of facility improvement needs at State facilities.

In FY 2001, the General Assembly appropriated \$10.5 million from the RIIF for major maintenance improvements and \$2.0 million for routine maintenance of State facilities under the purview of the Department of General Services. The Governor's Vertical Infrastructure Advisory Committee prioritizes the major maintenance projects and allocates the funds to the various projects. The projects are then submitted to the Governor for approval. The routine maintenance appropriation is allocated to the State agencies based on the total square feet of building space under the control of each agency.

In Iowa, infrastructure construction and improvements are funded through either direct appropriations or through the issuance of debt.

## Rebuild Iowa Infrastructure Fund

The RIIF was first funded by the 1995 General Assembly when SF 475 (FY 1996 State Financial Provisions Act) and HF 584 (FY 1996 Rebuild Iowa Infrastructure Act) dedicated interest earnings from the Cash Reserve Fund and the Economic Emergency Funds, and appropriated \$50.0 million from the General Fund to the RIIF.

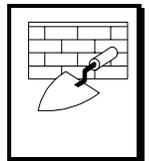


The 1996 General Assembly passed HF 2421 (FY 1997 Transportation, Infrastructure, and Capitals Appropriations Act) which dedicated racing and gaming tax receipts in excess of \$60.0 million to the Fund. In FY 2001, the General Assembly created the Vision Iowa and School Infrastructure Programs and dedicated a total of \$20.0 million of gambling revenues to the programs after the first \$60.0 million is deposited into the General Fund.

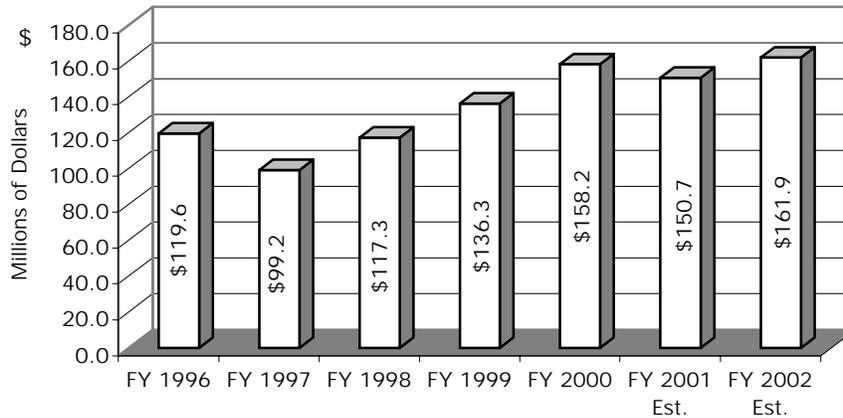
House File 2421 included a definition of vertical infrastructure that placed restrictions on the use of moneys in the RIIF beginning in FY 1998. The definition is included in Section 8.57(5)(c), Code of Iowa, and states:

*"Moneys in the fund in a fiscal year shall be used as directed by the General Assembly for public vertical infrastructure projects. For purposes of this subsection, vertical infrastructure includes only land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails. Vertical infrastructure does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure or utility without a lease-purchase agreement. However, appropriations may be made for the fiscal years beginning July 1, 1997, and July 1, 1998, for the purpose of funding the completion of Part III of the Iowa Communications Network."*

From FY 1996 through FY 2000, RIIF received a total of \$630.6 million in revenue, and the General Assembly appropriated a total of \$613.1 million for various projects. For FY 2001 and FY 2002, the Fund is estimated to receive new revenue totaling \$150.7 million and \$161.9 million, respectively. The following chart shows total actual revenues deposited into the RIIF from FY 1996 to FY 2000 and the estimated receipts for FY 2001 and FY 2002.



## Rebuild Iowa Infrastructure Fund Revenues



The following table shows the RIIF revenues by source, the total appropriations from the Fund, and the beginning and ending fund balances.

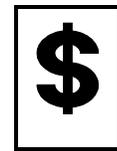
## Rebuild Iowa Infrastructure Fund Current Law (Dollars in Millions)

	Actual FY 1996	Actual FY 1997	Actual FY 1998	Actual FY 1999	Actual FY 2000	Estimated FY 2001	Estimated FY 2002
<b>Resources</b>							
Balance Forward	\$ 0	\$ 71.7	\$ 34.4	\$ 28.1	\$ 30.4	\$ 20.3	\$ 7.0
<b>Revenue</b>							
Reserve Fund Interest	\$ 23.4	\$ 29.6	\$ 32.3	\$ 30.6	\$ 32.1	\$ 34.1	\$ 36.9
Gambling Receipts	46.2	69.6	85.1	103.4	123.9	114.3	122.8
Appropriation	50.0	0	0	0	0	0	0
Marine Fuel Tax	0	0	0	2.2	2.2	2.3	2.3
<b>Total Revenue</b>	<b>\$ 119.6</b>	<b>\$ 99.2</b>	<b>\$ 117.3</b>	<b>\$ 136.3</b>	<b>\$ 158.2</b>	<b>\$ 150.7</b>	<b>\$ 161.9</b>
<b>Total Available Resources</b>	<b>\$ 119.6</b>	<b>\$ 170.8</b>	<b>\$ 151.7</b>	<b>\$ 164.4</b>	<b>\$ 188.6</b>	<b>\$ 170.9</b>	<b>\$ 169.0</b>
<b>Appropriations</b>	<b>\$ 48.0</b>	<b>\$ 136.7</b>	<b>\$ 124.7</b>	<b>\$ 135.0</b>	<b>\$ 168.8</b>	<b>\$ 165.2</b>	<b>\$ 74.4</b>
Reversions	\$ 0	\$ -0.2	\$ -1.0	\$ -1.0	\$ -0.4	\$ -1.3	
<b>Ending Balance</b>	<b>\$ 71.7</b>	<b>\$ 34.4</b>	<b>\$ 28.1</b>	<b>\$ 30.4</b>	<b>\$ 20.3</b>	<b>\$ 7.0</b>	<b>\$ 94.6</b>

NOTE: Totals may not add due to rounding.

## Debt Financing of Infrastructure

The State of Iowa has issued debt to finance new construction and major infrastructure improvements. While the State is constitutionally prohibited from issuing debt against the General Fund tax revenues, the State is allowed to issue debt through revenue bonds and Certificates of Participation (COP). Revenue bonds are backed by independent revenue sources that are separate from the State's general tax revenues. Certificates of Participation are different from bonds in that the title of ownership of the capital purchase is transferred upon final payment of the debt (similar to a lease purchase arrangement). The following table shows the annual debt service payments for a five-year period.



**Revenue Bonds and Certificates of Participation Debt Service**  
(Dollars in Millions)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Board of Regents					
<i>Academic Revenue Bonds</i>	\$ 29.8	\$ 30.1	\$ 29.8	\$ 29.7	\$ 29.7
<i>Other Revenue Bonds</i>	25.9	28.7	31.2	32.8	33.9
Total Regents	<u>55.7</u>	<u>58.8</u>	<u>61.0</u>	<u>62.5</u>	<u>63.6</u>
Prison Construction Bonds	8.4	8.4	8.4	8.4	8.4
Community Based Corrections - COP	0.9	0.8	0.8	0.8	0.8
Corrections Phase I and II - COP	3.8	3.1	3.1	0.8	0.0
Iowa Communications Network - COP	13.7	13.5	13.5	13.5	13.4
Total	<u>\$ 82.5</u>	<u>\$ 84.6</u>	<u>\$ 86.8</u>	<u>\$ 86.0</u>	<u>\$ 86.2</u>

The Regent's bonds are divided into Academic Revenue Bonds and Other Revenue Bonds. Academic Revenue Bonds are used primarily for construction, reconstruction, and renovation of facilities and are repaid from student tuition revenues. The Board must receive authorization from the General Assembly in order to issue Academic Revenue Bonds. In turn, the General Assembly annually appropriates funds to the Board of Regents for the replacement of student tuition revenues that were pledged for bond repayment.

The Regents universities also have the authority to issue revenue bonds (separate from Academic Revenue Bonds) which are backed by a specific revenue source such as dormitory bonds, hospital bonds, and utility bonds.

The State has issued revenue bonds through the Iowa Finance Authority for prison construction. The General Assembly has earmarked the first \$9.5 million in court fines for the Prison Infrastructure Fund for the bond payments. The State has constructed three medium security prisons and made two additions to Community-Based Correctional facilities since 1994.

The State has also issued Certificates of Participation for several infrastructure-related purposes:

- For construction and improvements of Community-Based Correctional facilities.
- For the construction of additional correctional beds.
- To finance construction of Parts I and II of the Iowa Communications Network.

The General Assembly annually appropriates funds to pay the debt service for these projects.

## LEGISLATIVE FISCAL COMMITTEE MAJOR ISSUES

The Legislative Fiscal Committee is a committee of the Legislative Council. Statute specifies that the ten-member committee gather information to aid the Legislature in properly appropriating money for the functions of government. Other statutory responsibilities include directing the administration of performance audits and visitations, studying the operation of state government, and making recommendations regarding government reorganization to the General Assembly (Section 2.46, Code of Iowa). The Committee also conducts studies and prepares *Issue Reviews* as assigned by the Legislative Council.

During the 2000 Legislative Interim, the Fiscal Committee met six times. Dennis Prouty, Director of the Legislative Fiscal Bureau, provided regular revenue updates, and the Committee also received notices of appropriations transfers or lease purchases. The following FY 2000 appropriations transfers were discussed:

Dollars Transferred	Department/Division Transferred To	Amount	Department/Division Transferred From
\$ 7,877,678	Human Services - Medical Assistance	\$ 100,000	Attorney General
		1,070,000	Department of Commerce
		1,439,000	Department of Corrections
		3,500,000	Dept. of Human Serv. - various
		50,000	Dept. of Economic Development
		250,000	Department of Education
		260,000	Dept. of General Services
		677,678	Dept. of Inspections & Appeals
		281,000	Department of Management
		50,000	Dept. of Natural Resources
		50,000	Department of Public Health
		100,000	Department of Public Safety
		50,000	Dept. of Revenue & Finance
		2,500	Ethics & Campaign Disclosure
13,900	IPERS	13,900	Dept. of Economic Development
7,000	Public Employment Relations Board	7,000	Dept. of Economic Development
15,000	Governor's Office	15,000	Department of Management

<u>Dollars Transferred</u>	<u>Department/Division Transferred To</u>	<u>Amount</u>	<u>Department/Division Transferred From</u>
499	General Services - Planning Commission	499	General Services - Operations
\$ 147,000	Dept. of Agriculture & Land Stewardship – Administrative Services	\$ 27,000 48,000 62,000 10,000	Dept. of Agriculture & Land Stewardship – Dairy Trade Practices Dairy Products Control Fertilizer Commercial Feed
500,011	CBC District Departments	500,011	Mt. Pleasant Facility
180,000	Dept. of Corrections – Central Office	180,000	Fort Dodge Facility
225,000	CBC District 5	225,000	Fort Dodge Facility
127,000	Dept. of Personnel – Operations	127,000	Dept. of Personnel – Program Delivery Services
152,000	State Fire Marshal	130,000 12,000 10,000	Dept. of Public Safety – Division of Criminal Investigation Administrative Services Capitol Police
65,000	Dept. of Nat. Resources – Parks Division	55,000	Dept. of Natural Resources – Administration Division
8,000	Environ. Protection Div.	18,000	Energy & Geology Division

- The following lease-purchase acquisitions were discussed:

<u>Lease-Purchase Dollars</u>	<u>Department</u>	<u>Explanation</u>
\$ 199,000	Auditor of State	Purchase of remanufactured modular components for the Auditor's Office.
170,000	Iowa State University (ISU)	Replace outdated housing at Lakeside Laboratory.
226,000	Dept. of Rev. & Finance	Purchase of desktop computers.
181,000	Dept. of Public Safety – Division of Criminal Investigation & Admin.	Purchase of 56 personal computers and four file servers.

The Committee also heard periodic updates on the activities of the Tobacco Settlement Authority, the Vision Iowa Program, and the Community Attraction Program (CAT). Phil Buchan, Director of the State/Federal Office in Washington, D.C., also provided an update on federal budget action at the August and December meetings.

The following *Issue Reviews* were presented to the Committee throughout the Interim. More information on any of these topics or copies of the *Issue Reviews* are available from the Legislative Fiscal Bureau. A complete listing of all *Issue Reviews* completed during the interim and memos written for the Fiscal Committee is contained in Appendix D.

### *Issue Reviews Presented*

- *Issue Review* – Vision Iowa Program
- *Issue Review* – School Infrastructure Program
- *Issue Review* – Update on Children’s Health Insurance Program
- *Issue Review* – School Liaison Program
- *Issue Review* – Board of Regents Fire and Environmental Safety
- *Issue Review* – Board of Regents Deferred Maintenance
- *Issue Review* – Iowa’s Teacher Salaries
- *Issue Review* – Local Option Sales Tax Administrative Fee
- *Issue Review* – Interagency Billings
- *Issue Review* – Declining Enrollments and Budget Guarantee
- *Issue Review* – Senior Living Program and Acuity-Based Nursing Facility Reimbursement

### Other Major Agenda Items

- Spring weather conditions – Discussion of historical precipitation in Iowa for the months of May through September and the potential for a drought in 2000.
- Vision Iowa Program – Discussion of the Vision Iowa Program and the Community Action and Tourism (CAT) Fund. Vision Iowa Board President Michael Gartner addressed the Committee in November.
- Underfunding of health insurance costs and the use of insurance reserves – Because of stronger than anticipated utilization, State health insurance costs increased 17.0% effective July 1, 2000. This increase was unbudgeted, and the FY 2001 cost is to be absorbed by the departments. Wellmark health insurance premiums are also scheduled to increase an additional 22.0% on January 1, 2001. The health insurance shortfall is approximately \$12.3 million. The chairpersons will encourage the appropriations subcommittee members to

look at how the departments are handling the shortfall. Additional information on health insurance premiums is presented earlier in this document in the Health Insurance Premiums section.

- Site visit to the State Training School in Eldora.
- Federal funds – Discussion concerning federal funds received by the Department of Human Services.
- Site visit to the University of Iowa including tour of the Art and Art History Building, the Seamans Center for Engineering, and the Biology Building East.
- Board of Regents – Discussion of fire and environmental safety, deferred maintenance, Treasurer’s Temporary Investments, indirect cost recovery, proposed tuition increases, and budget ceiling adjustments.
- Local option sales tax administrative fee – Discussion of the fee and the status of the administrative rule to implement the fee.
- FY 2002 built-in increases – Discussion of the initial estimate of the FY 2002 built-in increases.
- Program and incentives for businesses and economic development – Discussion by Department of Economic Development officials and Iowa State University personnel concerning a variety of programs and incentives for business and economic development in the State of Iowa.
- Human Services – Various issues including discussion of the Senior Living Program, Medicaid Drug Rebates, generic medication utilization in Iowa Medicaid, HAWK-I Outreach and Medicaid enrollment, the relationship between Medicaid and Indigent Care, and discussion as to why the Request for Proposals regarding enhanced claims at the University Hospitals has not been issued.
- Consultec and durable medical equipment reimbursement – Presentations by providers of medical equipment concerning complaints against Consultec. A motion was made and approved stating the Fiscal Committee directs the Human Services Appropriations Subcommittee to consider the complaints with respect to Consultec and durable medical equipment providers during the first week of the 2001 Legislative Session and bring back a recommendation to the Fiscal Committee.
- State indebtedness – Report on the amount of debt outstanding.
- Interagency billings – Discussion of interagency billings. The chairpersons will encourage the appropriations subcommittee members to review the interagency

billing practices and authority of the departments under their purview during the appropriations process in January and February.

- Education – Various issues including teacher recruitment and retention incentives, education funding per pupil, declining enrollments and budget guarantee.
- Iowa Agricultural Finance Corporation – Update on the accomplishments of the past year including a discussion of earnings, expenditures, and the Corporation's return on investment.
- Advanced Research and Commercialization Program – Discussion of the program by Department of Economic Development officials.

Materials distributed to the Committee related to these topics are maintained at the LFB office and are available upon request.

## LEGISLATIVE OVERSIGHT COMMITTEE MAJOR ISSUES

During the 1997 Legislative Session, the General Assembly passed HF 730 (Oversight and Communications Appropriations Act) requesting that the Legislative Council establish the Legislative Oversight Committee. Section 12 of the Act specifies the following powers and duties of the Committee:

- The purpose of the Legislative Oversight Committee is to review and analyze the structure and operations of State government and the use of information technology in providing services and enhancing the ability of the public to interact with government.
- The Legislative Oversight Committee may, subject to the approval of the Legislative Council, conduct a review of one or more programs or regulations administered or enforced by State government.

The Legislative Council established the Committee during the 1997 Interim.

During the 2000 Interim, the Committee met five times and has an additional meeting scheduled for December 19. During the Interim, the Committee reviewed the following major areas:

### Iowa Communications Network (ICN)

- Tracking of Iowa Telecommunications and Technology Commission (ITTC) changes to the Network. The Commission is in the process of converting the Network from a star typology to a ring typology. This will allow for redundancy in the Network so that if a line is down, the transmission between sites can be rerouted around the break
- Iowa Telecommunications and Technology Commission (ITTC) rates for video usage of the ICN. The Commission proposed and adopted new rates for FY 2001, the third consecutive year of increases. The Commission adopted the new rates at its September meeting. (See prior Section on Information Technology Issues for a discussion of the new rates.)
- Status of the Attorney General's Office appeal of the Federal Communications Commission (FCC) ruling that the ICN is not a "common carrier" and, therefore, schools and libraries receiving phone services from the ICN do not qualify for reimbursement from the Universal Fund. Both the State of Iowa and the FCC filed briefs with the District of Columbia United States Circuit Court of Appeals.



The Court ruled that the FCC must revisit the issue and consider Iowa's arguments again. A new FCC ruling, following review of additional materials submitted by Iowa's legal counsel, is due in December 2000.

- The Oversight and Communications Appropriations Subcommittee, in SF 2433 (FY 2001 Oversight and Communications Appropriations Act), had required the ICN to conduct a pilot project, free of cost to the State, to test voice over Internet protocol technologies. Initial results indicate that the technology is still in the development stages and will not be ready for full deployment for three to five years. The ICN tested several variations on the technology from several vendors, and a final report should be available to the Committee in December or January.

### **Information Technology Department**

- Updates from the Information Technology Department (ITD) on the efforts of the Department in implementing a revised lowAccess Program.
- Discussion of privacy issues and the status of private key infrastructure that will allow secure financial transactions between Iowans and State government. Update on privacy and security issues related to information held by the State about its operations and citizens, from the Governor's Task Force to Protect Iowans' Consumer Privacy and the Department of Public Health.
- Update on the request for relocation of offices and source of funding for the related costs from the ITD.
- Update on the prioritization of projects recommended for funding for FY 2002 through the Pooled Technology Account, from the Information Technology Council.
- Update on the implementation of Return on Investment Forms used for applications for funding from the Pooled Technology Account from the ITD.



### **Other Issues**

Additionally, the Oversight Committee considered a wide variety of other issues during the 2000 Interim, including:

- Technology and economic development efforts of the following entities:
  - Department of Economic Development
  - Small Business Development Center from the University of Northern Iowa
  - Technology Innovation Center from the University of Iowa

- Update on federal funding for and potential for economic benefit to the State from a proposed Federal Technology Center at Camp Dodge.
- Update on a study by the Iowa Utilities Board and Department of Economic Development for provision of statewide access to broadband and dial-up Internet in under-served areas of Iowa.
- Update on recommendations of the Governor's 2010 Council related to providing broadband and dial-up Internet access to areas of Iowa not currently being served by the private sector.
- Child Care Services funding and investigation of over billing and fraud by child care providers from the Department of Human Services (DHS), Department of Inspections & Appeals, and the Office of the Auditor of State.
- Impact of the high costs of gasoline and related products on Iowa citizens and State government operations, as well as the potential for price fixing from the Consumer Protection Division of the Attorney General's Office, the Department of Natural Resources, the Department of Agriculture and Land Stewardship, and the Department of Transportation.
- Audit Report on DHS contract for outside services and DHS response to the Audit, as well as discussion of how the contract came about and was monitored from the State Auditor's Office and the DHS.
- Department of Personnel report on use of contract employees in State government.
- Report of the Governor's Strategic Planning Council 2010 related to technology recommendations from the 2010 Technology Work Group.
- Impact of not receiving the full amount of funding from the Pooled Technology Account for Iowa Public Television (IPTV) and the ICN.
- **Issue Review** updating project management services charges for projects funded through the Rebuild Iowa Infrastructure Fund.
- Vertical Infrastructure Definition **Issue Review** from the LFB.
- Update on the Department of General Services Strategic Plan and major maintenance allocations from the Vertical Infrastructure Advisory Committee and the Department of General Services.



Due to the cancellation of the December 19, 2000, meeting, the Committee may hold a special meeting during the first week of Session to hear presentations on and review the following issues:

- Voting issues facing the State (e.g., motor voter, electronic balloting, individual Iowa county problems).
- LFB review of projected receipts and built-in budget increases impacting funding available for FY 2002 appropriations.
- Responses from the eight largest education users of video services to the ICN Plan to eliminate subsidization of video costs.
- ICN report on responses from other video services user groups on the Plan.
- Update on status of Universal Services Fund appeal.
- Attorney General update on collecting over payments from Paul Cote, a contractor with the DHS.
- Update on the Tax Gap Financing Project, a performance-based contract with NCR Government Systems Corporation to increase tax collections through the Department of Revenue and Finance.
- Committee discussion of the draft State Payments to Felons Bill.

Materials distributed to the Committee related to these topics are maintained at the LFB office and are available upon request.

## ESTIMATED GENERAL FUND EXPENDITURE INCREASES AND DECREASES

A ***built-in increase or decrease*** is a standing appropriation as required by the Code of Iowa, an entitlement program, or a prior appropriation for a future fiscal year which increases or decreases compared to the prior year. An ***anticipated increase or decrease*** is an anticipated increase or decrease based on prior obligation or action and needs legislative action. A ***built-in change in revenue*** is not included since the FY 2001 changes are included in the Revenue Estimating Conference's December estimate. Any built-in increases or decreases may be changed by enacted legislation.



For FY 2002, the Legislative Fiscal Bureau (LFB) is projecting a total of \$187.8 million in built-in and anticipated increases and decreases. The FY 2002 projection includes \$171.6 million in General Fund built-in increases and decreases and \$16.2 million in anticipated increases and decreases. The following tables summarize the projected built-in and anticipated changes.

### Projected FY 2002 Incremental Built-in and Anticipated Expenditures

(Dollars in Millions)

	LFB Estimates
<b>FY 2002 Incremental Built-in Increases and Decreases</b>	
Collective Bargaining Salary Packages (2001 GF appropriation)	\$ 42.2
K-12 School Foundation Aid	62.2
Human Services - Medical Assistance	57.7
Human Services - State Children's Health Insurance Program	5.7
M&E Property Tax Replacement Fund	-13.6
Education - Early Intervention/Reduce Class Size	10.0
Human Services - State Cases	1.4
Mental Health Growth Factor	5.5
Elderly and Disabled Credit	0.5
Total Built-in Increases and Decreases	\$ 171.6

**Projected FY 2002 Incremental Built-in and Anticipated Expenditures (Continued)**

(Dollars in Millions)

	<b>LFB Estimates</b>
<b>FY 2002 Anticipated Incremental Increases and Decreases</b>	
Corrections – New Beds and Start-up Costs	\$ 1.5
Human Services – Social Services Block Grant Replacement	0.8
Human Services - Children/Families Caseload Increase/Adjustment	0.1
Inspections and Appeals - Indigent Defense	1.5
Human Services - Maintain Reimbursement Rate/70.0% USDA	1.1
Human Services - Electronic Benefits Transfer	0.6
Human Services – Family Investment Program Technology Maintenance	0.8
Judicial Branch - Retirement Fund Contribution	0.1
Regents - Tuition Replacement	-0.8
Human Services - Sexual Predators Civil Commitment and Treatment	0.1
Human Services - State Resource Centers Increased Revenue	-1.8
Human Services – Increased Individuals/Services Eligible for Federal Aid	0.5
Human Services – Replacement of One-Time Carry Forward Funds	0.4
Human Services – Child Care	11.3
Total Anticipated Increases and Decreases	\$ 16.2
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>\$ 187.8</b>

**Appendix B** describes the General Fund built-in and anticipated expenditure increases and decreases in detail by providing:

1. Type of appropriation.
  - A. Standing unlimited appropriation
  - B. Standing limited appropriation
  - C. Regular appropriation
2. Description of the program or budget unit.
3. Factors for the increases or decreases.
4. Dollar amount of the increase under current law as projected by the LFB, dollars in millions.
5. Options to eliminate or reduce the built-in increase.
6. Estimated potential General Fund savings from the options in column 5, dollars in millions.

## **OVERVIEW OF FY 2002 BUDGETS AND SUBCOMMITTEE ISSUES**

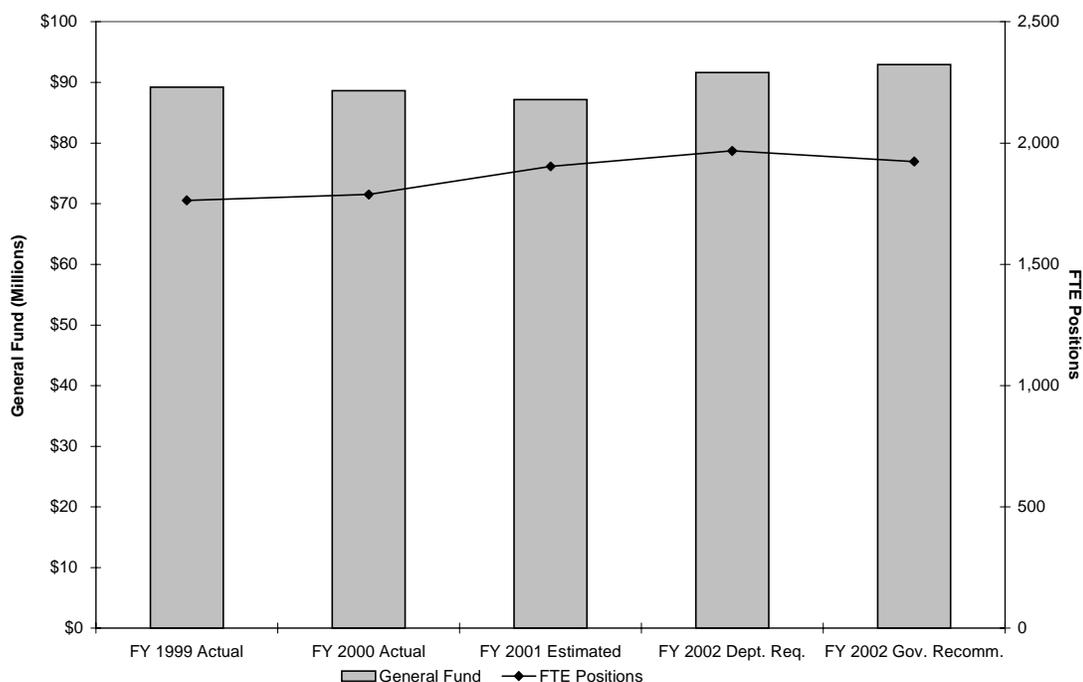
The Overview of the FY 2002 Budgets and Subcommittee Issues Section presents a summary analysis of the FY 2002 Governor's recommendations compared to estimated FY 2001 appropriations and identifies possible issues to be discussed by the individual appropriations subcommittees. The amounts recommended for unassigned standings are not included in the totals for the appropriations subcommittees, but the issues may be discussed under the Significant General Fund Changes Requested and Issues Sections.

# ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE

## FY 2002 GOVERNOR RECOMMENDATIONS

The Governor is recommending \$92.9 million from the General Fund and 1,923.5 FTE positions for the 11 Departments of the Administration and Regulation Appropriations Subcommittee. This is an increase of \$5.8 million (6.6%) and 19.6 (1.0%) FTE positions compared to estimated FY 2001. Unless otherwise indicated, all increases or decreases are compared to estimated FY 2001. A new concept or funding included in the Governor's recommendation but not included in the department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

**Administration & Regulation Appropriations Subcommittee**

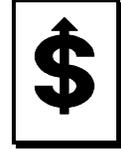


### Significant General Fund Changes Recommended

1. **Office of the Auditor of State** - The Governor is recommending \$1.4 million from the General Fund and 116.7 FTE positions for FY 2002. This is no

change in funding and a decrease of 0.1 (0.1%) FTE position compared to estimated FY 2001.

2. **Department of Commerce** - ❖The Governor is recommending \$21.2 million from the General Fund and 318.0 FTE positions for FY 2002. This is an increase of \$465,000 (2.2%) and a decrease of 3.0 (0.9%) FTE positions compared to estimated FY 2001. The change, by division or program, includes:

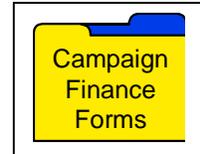


- A. **Alcoholic Beverages Division** - ❖No change compared to estimated FY 2001.
- B. **License Fee Education** - ❖A decrease of \$25,000 to transfer funding source of the License Fee Education Fund to the Civil Penalty Fund.
- C. **Banking Division** - ❖An increase of \$385,000 (6.5%) and a decrease of 3.0 (3.7%) FTE positions compared to estimated FY 2001.
1. A decrease of \$274,000 and 3.0 FTE positions due to the elimination of positions during reorganization.
  2. A decrease of \$180,000 due to the purchase of laptop computers by the Division in FY 2001. The laptops were a one-time expenditure.
  3. An increase of \$175,000 to implement a pay scale that will eliminate the option of granting extra duty pay.
  4. ❖An increase of \$300,000 for travel, communication, Attorney General costs, and training.
  5. ❖An increase of \$364,000 for maintenance and upgrades for the risk focused examination procedure and the Internet database.
- D. **Credit Union Division** - An increase of \$69,000 (5.6%) and no change in FTE positions compared to estimated FY 2001. The change includes:
1. A decrease of \$24,000 for the Division to reclassify an Information Technology Specialist 3 to a Clerk Advanced position to reallocate funding into the implementation of a pay study. The study, conducted by the Department of Personnel, is designed to reduce the high employee turnover suffered by the Division and to eliminate extra pay.
  2. An increase of \$94,000 for the Division to implement a pay study conducted by the Department of Personnel and



reclassifies a position from an Executive Officer 3 to Executive Officer 4.

- E. **Insurance Division** - ❖ An increase of \$36,000 (0.9%) and no change in FTE positions compared to estimated FY 2001 to pay for increased building lease costs.
3. **Ethics and Campaign Disclosure** - ❖ The Governor is recommending \$529,000 from the General Fund and 8.0 FTE positions for FY 2002. This is an increase of \$13,000 (2.5%) and no change in FTE positions compared to estimated FY 2001. The significant changes include:
- A. ❖ An increase of \$8,000 to pay ICN telephone bills. In the past, bills have not been paid in full due to lack of funds, and ICN has forgiven the money due.
- B. ❖ An increase of \$5,000 to maintain campaign finance disclosure statements on-line.
4. **Department of General Services** - ❖ The Governor is recommending \$10.9 million from the General Fund and 226.9 FTE positions for FY 2002. This is an increase of \$453,000 (4.3%) and no change in FTE positions compared to estimated FY 2001. The change, by division, includes:
- A. **Rental Space Division** - ❖ An increase of \$455,000 (44.2%) compared to estimated FY 2001. The change includes:
1. An increase of \$194,000 to fund escalator clauses in leases, operating expense increases, and relocation costs for several agencies.
  2. ❖ An increase of \$261,000 to fund rent costs for short-term leases for the Departments of Public Safety, Public Health, and Cultural Affairs.
- B. **Terrace Hill Operations Division** - ❖ No change compared to estimated FY 2001.
- C. **Capitol Planning Commission** – No request for FY 2002. This is a decrease of \$2,000 (100.0%) compared to estimated FY 2001.
5. **Office of the Governor** - ❖ The Governor is recommending \$2.2 million from the General Fund and 27.3 FTE positions for FY 2002. This is an increase of \$42,000 (1.9%) and 1.0 (3.8%) FTE position. The significant changes, by division, include:
- A. **Terrace Hill Quarters** - ❖ An increase of \$36,000 (27.0%) and 1.0 (33.3%) FTE position compared to estimated FY 2001 for an Administrative Assistant for the First Lady.



B. **National Governor's Association** - ❖An increase of \$6,000 (8.3%) for the increase in annual dues.

6. **Department of Inspections and Appeals** - ❖The Governor is recommending \$10.7 million from the General Fund and 319.8 FTE positions, including \$3.8 million and 55.8 FTE positions for the Racing and Gaming Commission for FY 2002. This is an increase of \$134,000 (1.3%) and 11.7 (3.8%) FTE positions compared to estimated FY 2001. The significant changes, by division, include:

A. **Audits Division** - ❖An increase of \$28,000 (5.9%) and no change in FTE position compared to estimated FY 2001 for travel and related expenses to comply with federal regulations on audits of health care facilities and local Department of Human Services offices.



B. **Health Facilities Division** - ❖An increase of \$105,000 (4.3%) and 4.0 (3.7%) FTE positions compared to estimated FY 2001. The significant changes include:

1. ❖An increase of \$105,000 and 1.0 FTE position to survey hospitals not accredited by the Joint Commission on Accreditation of Health Care Organizations or the American Osteopathic Association (JCAHO/AOA) on a three-year cycle rather than the current four-year cycle, and to conduct complaint investigations at Joint Commission on Accreditation of Health Care Organizations and the American Osteopathic Association (JCAHO/AOA) accredited hospitals. The Department has proposed to increase the annual hospital license renewal fee from the current \$10 to \$1,000 to cover the cost of expanding the surveys and complaint investigations. The Governor has included this increase in fee revenue in his budget recommendation.



2. An increase of 3.0 FTE positions to provide for 10-day complaint responses at Medicare Certified Facilities and to cover increased complaint activity at the Facilities. The positions are 100.0% federally funded.

C. **Racing and Gaming Commission Pari-Mutuel Regulation** - No change in funding and an increase of 5.7 (25.4%) FTE positions compared to estimated FY 2001 to reflect the actual past FTE position usage for Racing and Gaming Commission Members and extra help.

- D. **Racing and Gaming Commission Excursion Boat Regulation** - No change in funding and an increase of 2.0 (7.8%) FTE positions compared to estimated FY 2001 to reflect the actual past FTE position usage for Racing and Gaming Commission Members.



7. **Department of Management** - ❖The Governor is recommending \$4.7 million from the General Fund and 33.0 FTE positions for FY 2002. This is an increase of \$2.0 (71.9%) million and an increase of 1.0 (3.1%) FTE position compared to estimated FY 2001. The significant General Fund changes, by division, include:
- A. **General Office** - An increase of 1.0 (3.2%) FTE position for local government operations.
  - B. **Federal Overbilling** - ❖An increase of \$2.0 million (100.0%) to repay the federal government through the Information Technology Department for over-charging for technology services.
  - C. **Council of State Governments** - ❖An increase of \$3,000 (3.5%) to pay the increase in the State's dues.
  - D. **Law Enforcement Training Reimbursements** - ❖A decrease of \$48,000 (100.0%) to eliminate reimbursements.

8. **Department of Personnel** - ❖The Governor is recommending \$7.4 million from the General Fund and 100.5 FTE positions for FY 2002. This is an increase of \$2.5 million (50.8%) and 9.0 (9.8%) FTE positions compared to estimated FY 2001. The significant General Fund changes, by division, include:



- A. **Administration and Program Operations Unit** - ❖An increase of \$378,000 (19.7%) and 1.0 (3.2%) FTE positions compared to estimated FY 2001. The significant changes include:
  - 1. ❖An increase of \$128,000 for the Workforce Planning Program. The recommendation also requires \$85,000 in agency billings. This is a decrease of \$47,000 (35.6%) in agency billings to be used for the Workforce Planning Program compared to estimated FY 2001.
  - 2. No change in funding and an increase of 1.00 FTE position to redesign the State's compensation philosophy and pay system. This position will be funded with \$82,000 from agency billings.
  - 3. ❖An increase of \$250,000 for a performance-pay pilot project.

B. **Customer Services and Benefits Management Unit** - ❖ An increase of \$322,000 (10.9%) and 8.0 (13.2%) FTE positions compared to estimated FY 2001. The significant changes include:



1. ❖ An increase of 4.0 FTE positions to be funded with \$618,000 from agency billings to support the Group Insurance, Wellness, Deferred Compensation, and Return to Work Programs. The 4.0 FTE positions being requested include the restoration of the 3.0 FTE positions requested to be decreased in requests 8.B(6-7) below.
2. ❖ An increase of \$304,000 and 3.0 FTE positions. The recommendation also requires \$50,000 from the Department's Training Revolving Fund and \$195,000 from additional agency billings to partner with departments providing recruitment and training services.
3. An increase of 2.5 FTE positions to be funded with \$173,000 from additional agency billings to improve labor-management relationships and to establish an employee recognition program.
4. ❖ An increase of \$18,000 and 1.0 FTE position. The recommendation also requires \$91,000 from the Training Revolving Fund and \$79,000 from additional agency billings for an expanded training curriculum and to leverage technology, including maintenance of performance management systems.
5. An increase of 0.5 FTE position to make the number of appropriated FTE positions equal the number of positions authorized on the Division's Table of Authorized Positions.
6. A decrease of 2.0 FTE positions that had been funded from the Health Insurance Reserve Fund to work on the health insurance reform effort. The Governor is recommending the positions to be restored in request 8.B(1) above.
7. A decrease of 1.0 FTE position that had been funded equally from the Health Insurance Reserve Fund and the Workers' Compensation Trust Fund for a Ready to Work Program Coordinator. The Governor is recommending the position to be restored in request 8.B(1) above.

C. **Workers' Compensation and Insurance Fund** - ❖ An increase of \$1.8 million compared to estimated FY 2001 to increase the funds available for the payment of Workers' Compensation claims. The Department assumes that increased funds will be needed due to one-time expenses



resulting from the expected retention of a third-party administrator. It is assumed that the third-party administrator will attempt to settle claims to close open files that have open-ended liability. In FY 2001 all funding for the Workers' Compensation and Insurance Fund was placed with State agencies, which then pay insurance premiums into the Fund.

### Significant Other Fund Requests

- A. **Health Insurance Premium Reserve Fund** - ❖The Governor is recommending \$275,000 from the Health Insurance Premium Reserve Fund to support the Group Health Insurance Program described in request 8.B(1) under the Customer Services and Benefits Management Unit requests. This is a decrease of \$314,000 (53.3%) compared to the estimated FY 2001 appropriation from the Fund. The Department was appropriated \$544,000 and 2.0 FTE positions for the Health Insurance Reform Program and \$89,000 and 1.0 FTE position, including \$45,000 of that amount from the Workers' Compensation Trust Fund, for a Ready-to-Work Program Coordinator in FY 2001.
- B. **Primary Road Fund and Road Use Tax Fund** - The Governor is recommending \$410,000 from the Primary Road Fund and \$67,000 from the Road Use Tax Fund for FY 2002. This is no change compared to estimated FY 2001. The funds are used to pay a portion of the salaries for Department staff that work on personnel issues relating to the Department of Transportation.
- C. **Iowa Public Employee Retirement System (IPERS) Revolving Fund** - ❖The Governor is recommending \$8.0 million and 88.0 FTE positions from the Iowa Public Employee Retirement System (IPERS) Revolving Fund for FY 2002. This is an increase of \$292,000 (3.8%) and no change in FTE positions compared to estimated FY 2001. The significant changes include:
1. A decrease of \$150,000 due to the one-time FY 2001 funding for the Governor's Task Force on IPERS Structure and Governance Study.
  2. A decrease of \$1.3 million and 11.0 FTE positions due to the FY 2001 appropriation being one-time funding to reengineer the IPERS information system. FY 2001 was identified as the second year of a two-year project.
  3. A decrease of \$225,000 due to the FY 2001 appropriation being one-time funding for updated handbooks for IPERS members. The handbooks are updated every two years.



4. A decrease of \$120,000 due to the FY 2001 appropriation being one-time funding to acquire a benefits estimator computer program. The FY 2001 appropriation was for \$150,000 and \$30,000 of that amount is for ongoing maintenance and licensing fees for the system.
5. A decrease of \$100,000 due to the FY 2001 appropriation of one-time funding to study methods of providing enhanced portability into and out of IPERS to allow State employees to transfer retirement funds into IPERS from a prior employer's plan or to transfer the employee's IPERS funds to a new employer's plan.
6. An increase of 2.0 FTE positions to continue to provide expanded disability benefits for members employed in special occupation classes so that benefits will be comparable to the benefits members of the Municipal Fire and Police Retirement System of Iowa (MFPRSI) currently receive. IPERS was appropriated \$430,000 for the expanded benefits in FY 2001 and IPERS reallocated 2.0 FTE positions appropriated for reengineering the IPERS information system to provide the expanded benefits. 
7. An increase of \$95,000 for once-a-year notice to IPERS members concerning the supplemental account deposit.
8. An increase of \$200,000 to upgrade the computer and network systems.
9. An increase of \$187,000 to design and extend the IPERS parking and driveways to meet a new street to comply with business park covenants.
10. An increase of \$48,000 and 1.0 FTE position for a paralegal to support the Legal and Communications Unit.
11. An increase of \$50,000 and 1.0 FTE position for an Administrative Assistant for the Retirement Benefits Unit.
12. An increase of \$179,000 and 2.0 FTE positions to continue work on the data cleaning project and the completion of the restoration of historical wage detail to member data records.
13. An increase of \$772,000 and 2.0 FTE positions to plan and design Internet services to employers.
14. An increase of \$694,000 and 3.0 FTE positions to develop a records management plan and complete the first phase of converting paper documents to an electronic format.

9. **Department of Revenue and Finance** - ❖The Governor is recommending \$30.1 million from the General Fund and 617.6 FTE positions, including 117.0 FTE positions for Lottery Operations, for FY 2002. This is an increase of \$400,000 (1.3%) and no change in FTE positions compared to estimated FY 2001. The significant General Fund changes, by division, include:



- A. **Compliance Division** - ❖An increase of \$442,000 (4.0%) and 9.0 (5.5%) FTE positions compared to estimated FY 2001. The changes include:
1. An increase of \$291,000 due to the reallocation of resources from the Internal Resources Management Division (\$218,000) and the State Financial Management Division (\$73,000).
  2. ❖An increase of \$151,000 to replace funding from the proposed fee to be collected for the administration of the Local Option Sales and Service Taxes.
- B. **Internal Resources Management Division** - ❖A decrease of \$157,000 (2.3%) and 4.0 (4.8%) FTE positions compared to estimated FY 2001. The changes include:
1. A decrease of \$218,000 due to the reallocation of resources to the Compliance Division.
  2. ❖An increase of \$61,000 to replace funding from the proposed fee to be collected for the administration of the Local Option Sales and Service Taxes.
- C. **State Financial Management Division** - ❖An increase of \$115,000 (1.0%) and a decrease of 5.0 (2.0%) FTE positions compared to estimated FY 2001. The changes include:
1. A decrease of \$73,000 due to the reallocation of resources to the Compliance Division.
  2. ❖An increase of \$188,000 to replace funding from the proposed fee to be collected for the administration of the Local Option Sales and Service Taxes.

## Significant Other Fund Requests

- A. **Motor Vehicle Fuel Tax Fund** - The Governor is recommending \$1.0 million from the Motor Vehicle Fuel Tax Fund for FY 2002. This is no change compared to estimated FY 2001.
- B. **Pooled Technology Account** - The Department is requesting \$847,000 out of the Pooled Technology Account from the Oversight and Communications Appropriations Subcommittee for FY 2002. This request is to continue efforts to provide around the clock electronic services and to expand services. The Governor has included this item in the list of Pooled Technology requests. The Governor has not made a recommendation on any of the Pooled Technology requests.
10. **Office of the Secretary of State** - ❖The Governor is recommending \$2.7 million from the General Fund and 42.0 FTE positions for FY 2002. This is an increase of \$45,000 (1.7%) and no change in FTE positions compared to estimated FY 2001. The change is for costs associated with the biennial printing of the Iowa Official Register 
11. **The Office of the Treasurer** - ❖The Governor is recommending \$983,000 from the General Fund and 25.8 FTE positions for FY 2002. This is a decrease of \$250,000 (20.3%) and no change in FTE positions compared to estimated FY 2001. The change is an unspecified decrease to the base budget.

## Issues

The Administration and Regulation Appropriations Subcommittee may wish to examine the following issues:

- Proposed Administrative Rules to Recover Costs Associated with the Administration of the Local Option Sales and Service Taxes - The Administrative Rules Review Committee has passed a session delay on the implementation of a fee by the Department of Revenue and Finance to recover costs associated with the administration of the Local Option Sales and Service Taxes. The fee was authorized by HF 2545 (FY 2001 Administration and Regulation Appropriations Act). *The Governor is recommending an increase of \$400,000 to replace funding from the proposed fee to be collected for the administration of the Local Option Sales and Service Taxes.*
- Payment Processes for Interagency Services - The majority of agencies within the Subcommittee provide services to other State agencies. The approach to funding these services has varied, causing a general lack of uniformity regarding how services are funded and how payments from service receiving agencies are

classified. *The Governor is recommending various increases to fund priorities within the Department of Personnel through interagency billings.*

- Relocation of Agencies Outside the Capitol Complex - Renovation of the Lucas Building and other Capitol Complex office buildings may require agencies to relocate outside the Capitol Complex which will increase the cost of leasing office space and decrease the Department of General Services' receipts.
- Contracting for Electric Utilities - Due to proposed legislation that would restructure the electric utility industry, the Department of General Services may be able to reduce utility costs by contracting for electric services with a private entity.
- Racing and Gaming Commission Pari-Mutuel Regulation - The Commission has not budgeted for or requested sufficient FTE positions to go along with the funding for Racing and Gaming Commission Members and extra help, and the FTE appropriation was exceeded beginning in FY 1997. In FY 1996, position vacancies allowed the Commission to remain within the appropriated amount of FTE positions.
- Racing and Gaming Commission Excursion Boat Regulation - In the past the Commission has not budgeted for or requested FTE positions sufficient to meet the actual FTE position usage for the Commission Members. Position vacancies have allowed the Commission to remain within the appropriated amount of FTE positions.

Five ***Issue Reviews*** relating to the Administration and Regulation Appropriations Subcommittee were distributed during the 2000 Interim. The ***Issue Reviews*** were:

- Linked Investments for Tomorrow Program Update.
- Update on Excursion Gambling Boats, Pari-Mutuel Racing, and Slot Machines at Racetracks.
- Proposed Administrative Rules to Recover Costs Associated with the Administration of the Local Option Sales and Service Taxes.
- Interdepartmental Transfers.
- Section 8.39 Appropriation Transfers.

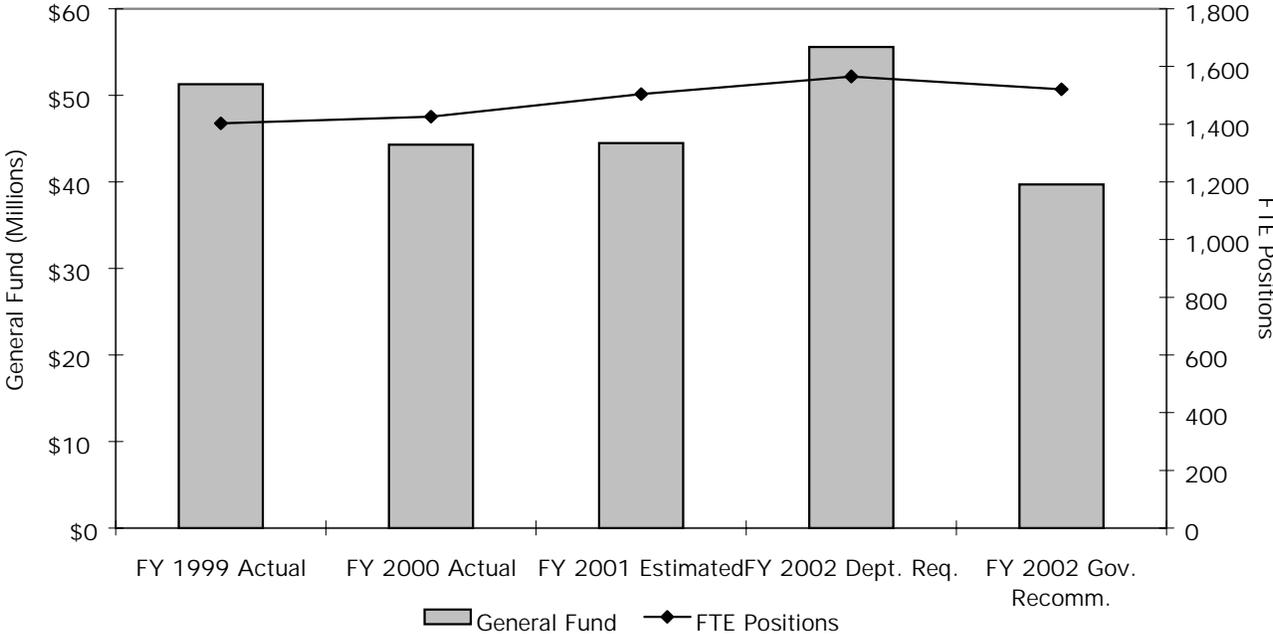
For further information on the ***Issue Reviews***, please contact Ron Robinson at (515) 281-6256 or Christina Schaefer at (515) 281-7942.

# AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE

## FY 2002 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$39.7 million from the General Fund and 1,521.1 FTE positions for the two departments of the Agriculture and Natural Resources Appropriations Subcommittee. This is a decrease of \$4.8 million (10.8%) and an increase of 16.0 (1.1%) FTE positions compared to estimated FY 2001. All dollar amounts and percentages include General Fund appropriations from the former Commercial Feed, Fertilizer, Pesticide, Milk, and Marine Fuel Tax Funds. A new concept or funding included in the Governor's recommendations but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

**Agriculture and Natural Resources Appropriations Subcommittee**



## Significant General Fund Changes Recommended

### 1. Department of Agriculture and Land Stewardship

- A. ❖ An increase of \$66,000 and 1.0 FTE position in the Administration Division to pursue marketing opportunities for processed food, feed, and other items of Iowa origin.
- B. ❖ An increase of \$226,000 in the Regulatory Division for operations.
- C. ❖ A decrease of \$42,000 and 1.0 FTE position in the Regulatory Division for reallocation of resources. Several Programs in this Division are mandated by statute and the additional funds are necessary to provide the services required by the Programs.
- D. An increase of 1.0 FTE position in the Laboratory Division for residue testing of new herbicides. The Department has been awarded resources from the United States Environmental Protection Agency to purchase equipment to test new generation herbicides for Iowa and one other state. Without the FTE position, the testing will be shifted to the other state.
- E. A decrease of 1.0 FTE position in the Soil Conservation Division due to decreased federal funding to the Mine and Minerals Program.
- F. ❖ A decrease of \$5.5 million for the Soil Conservation Cost Share Program. The Governor is recommending funds of \$5.5 million be appropriated from the Rebuild Iowa Infrastructure Fund (RIIF).
- G. ❖ An increase of \$114,000 in the Farmer's Market Coupon Program to provide elderly Iowa citizens with coupons to redeem for fresh produce at Farmer's Markets.
- H. A decrease of \$100,000 to Iowa State University for the study of Johne's Disease. The General Assembly appropriated \$100,000 during the FY 2000 Legislative Session to complete a study of Johne's Disease by June 30, 2001.



### 2. Department of Natural Resources

- A. ❖ An increase of \$300,000 and 5.0 FTE positions in the Environmental Protection Division for calculation of Total Maximum Daily Load (TMDL) as required by the federal Clean Water Act. An additional \$300,000 would be available in federal funds.

- B. ❖ An increase of \$135,000 and 3.0 FTE positions in the Parks and Preserves Division for staffing in the Maquoketa Caves, Bellevue, and Stone State Parks. These positions would provide maintenance and security at these locations.

### Significant Other Fund Changes Requested

#### 1. Department of Agriculture and Land Stewardship

- A. ❖ An increase of \$500,000 from the Environment First Fund to provide cost-share assistance for the closure of agricultural drainage wells.
- B. ❖ An increase of \$5.5 million from the Rebuild Iowa Infrastructure Fund and a decrease of \$500,000 from the Environment First Fund for the Soil Conservation Cost Share Program.
- C. ❖ An increase of \$1.0 million to the Loess Hills Development and Conservation Authority from the Environment First Fund.
- D. ❖ An increase of \$1.3 million from the Environment First Fund for the Watershed Protection Program.

#### 2. Department of Natural Resources

- A. A decrease of \$600,000 from the Environment First Fund. Significant funding changes include:
  - 1. ❖ An increase of \$2.0 million, which brings the funding level of the Resource Enhancement and Protection (REAP) Fund to \$12.5 million.
  - 2. An increase of \$1.1 million to expand the Water Quality Monitoring Program.
  - 3. ❖ An increase of \$1.3 million for the Private Land Access Program.
  - 4. An increase of \$125,000 to complete natural resource inventories and protection plans to identify and safeguard unique landforms and ecosystems.
  - 5. An increase of \$60,000 and 1.0 FTE position for a Volunteer Coordinator for the expansion of the Keepers of the Land Volunteer Program.
  - 6. ❖ A decrease of \$2.4 million for the Lake Dredging Program.
  - 7. ❖ A decrease of \$250,000 for the Trees Planting Program.



8. A decrease of \$600,000 and an increase of 2.0 FTE positions to assist landowners that upgrade septic tank systems under the Septic Tank Revolving Loan Fund Program.
  9. A decrease of \$372,000 for Water Quality Planning Standards. The Standards will be implemented during FY 2001 and funding will not be necessary for FY 2002.
  10. A decrease of \$153,000 for the federal Total Maximum Daily Load (TMDL) Program. Funding for this Program is being requested from the General Fund for FY 2002.
- B. ❖ An increase of \$1.0 million from the Rebuild Iowa Infrastructure Fund for the creation of a destination park. The destination park would provide expanded overnight facilities and recreation opportunities to encourage visitors to plan vacations and other types of gatherings.
- 
- C. An increase of 3.0 FTE positions for the federally mandated Comprehensive Planning Process Program. Funding of \$300,000 would be from federal funds.
- D. An increase of \$200,000 in the Fish and Game Protection Fund and an increase of 2.0 FTE positions in the Fish and Wildlife Division for expansion of the Private Land Access Program.
- E. ❖ An increase of \$200,000 to hire contract personnel to reduce the backlog of floodplain permits. Funding is from the Floodplain Permit Fees.
- F. ❖ The Governor is recommending funds in the Groundwater Protection Fund be transferred to the Environment First Fund. It is estimated there will be approximately \$12.9 million in the Fund for FY 2002. The original intent of the Fund was to prevent groundwater contamination.

### Issues

The Agriculture and Natural Resources Appropriations Subcommittee may wish to examine the following issues:

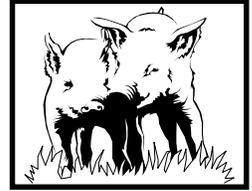
- Environment First Fund. The 2000 General Assembly established the Environment First Fund to provide funding for protection, conservation, enhancement, and improvement of natural resources. The following programs received significant funding for FY 2001 from the Environment First Fund:

1. Department of Agriculture and Land Stewardship:
  - a. Conservation Reserve Enhancement Program (CREP) received \$1.5 million to provide incentives for wetlands development for tile-drained areas of the State.
  - b. Conservation Reserve Program (CRP) received \$1.5 million for financial incentives for vegetative buffers, grassed waterways, and other types of buffer strips.
  - c. Watershed Protection Program received \$1.5 million to target water quality problems and improve the impaired waterbodies of the State.
  - d. Soil Conservation Cost Share received \$2.0 million for permanent soil and water conservation practices. Landowners will provide matching funds of \$2.0 million.
  - e. Nutrient Management Program received \$850,000 for development of crop and livestock management techniques.
2. Department of Natural Resources:
  - a. Resource Enhancement and Protection (REAP) Fund received \$10.5 million.
  - b. Recreation Grants Program received \$3.0 million.
  - c. Lake Dredging Program received \$2.9 million.
  - d. Marine Fuel Tax Capital Projects received \$2.3 million.
  - e. Water Quality Network received \$2.0 million for program expansion.
3. Department of Economic Development: Brownfields Development Program received \$3.0 million to develop commercial and industrial sites that have environmental contamination.



*The Governor is recommending \$47.9 million for programs that receive funding from the Environment First Fund for FY 2002. This is an increase of \$14.2 million compared to FY 2001. The Governor is recommending \$9.5 million for programs in the Department of Agriculture and Land Stewardship, \$36.9 million for programs in the Department of Natural Resources, and \$1.5 million for the Brownfields Development Program in the Department of Economic Development. This includes \$12.9 million in the Groundwater Protection Fund that would be transferred to the Environment First Fund.*

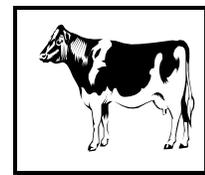
- Pseudorabies. In January 1999, the United States Department of Agriculture (USDA) began the Accelerated Pseudorabies Eradication Program, which bought out 388 Iowa herds for a cost of \$35.0 million. During FY 2000, 228 Iowa herds were bought out for a cost of \$11.0 million. The Department is requesting one-time funding of \$5.7 million to provide field and office staff to implement the final phase of the federal program. *The Governor is not recommending State funding for this program as federal funds are expected to cover the costs.*



- Agricultural Drainage Wells. The General Assembly passed SF 473 (Agricultural Drainage Wells Act) in FY 1997 that required closure of all agricultural drainage wells in the north-central region of the State by December 31, 1999. The legislation established the Alternative Drainage System Assistance Fund to provide up to 75.0% cost share funds to landowners. The General Assembly passed HF 339 (Extending the Deadline for Agricultural Drainage Wells Act) in FY 1999 to extend the closure date of designated agricultural drainage wells to December 31, 2001. There have been 36 wells closed in Pocahontas County during 2000 and projects have begun to close 27 wells in Wright County. Delays have resulted due to the number of federal agencies involved in approving the alternative drainage sites and restoring wetland areas. The LFB completed an *Issue Review* on this topic in November. For additional information regarding this *Issue Review*, please contact Deb Kozel at 515-281-6767. *The Governor is recommending funding of \$500,000 from the Environment First Fund to the Alternative Drainage System Assistance Fund for cost share assistance in closing wells.*

- Agrichemical Remediation. The General Assembly passed SF 466 (Agrichemical Remediation Act) in FY 2000 for cleanup of sites that have been contaminated with agriculture chemicals such as fertilizers and pesticides. The Department is requesting \$2.0 million to clean up contaminated sites in Iowa. *The Governor is not recommending funding for this Program.*

- Johne's Disease Herd Testing Program. The Regulatory Division is requesting an increase of \$325,000 and 1.0 FTE position to subsidize the testing of Iowa dairy cattle herds for Johne's Disease. Johne's Disease is a serious and widespread disease in cattle, sheep, and goats that is characterized by chronic diarrhea, weight loss, and eventual death. An infected animal, which is free of symptoms at the time of sale, may spread the disease to a buyer's herd. Liability issues and concerns associated with the diagnosis of Johne's Disease in a herd have been an impediment to producers and veterinarians. Johne's Disease has taken on increased importance in interstate,



as well as international, certification for animal movement. *The Governor is not recommending funding for this Program.*

- Resource Enhancement And Protection (REAP) Program. The Code of Iowa appropriates \$20.0 million to the REAP Fund. The General Assembly notwithstanding the Code of Iowa and appropriated \$10.5 million to the Fund in FY 2001 from the Environment First Fund. The Department of Natural Resources requested \$15.0 million for the REAP Fund for FY 2002 from the Environment First Fund. This is an increase of \$4.5 million compared to estimated FY 2001. *The Governor is recommending \$12.5 million from the Environment First Fund for the REAP fund, an increase of \$2.0 million compared to FY 2001.*



- Total Maximum Daily Load. The federal impaired waters listing included 159 waterbodies in Iowa for 1998. As part of the federal requirement, the Department of Natural Resources is required to calculate total maximum daily load limits for each of the impaired waterbodies. Estimates to calculate Total Maximum Daily Loads have ranged from \$4,000 to \$1.0 million for each calculation. The Department is requesting \$500,000 and 5.0 FTE positions to calculate total maximum daily load limits. *The Governor is recommending \$300,000 from the General Fund and 5.0 FTE positions to calculate total maximum daily load limits.*
- Waste Tire Management Program. The Waste Tire Management Program was created in 1996 to reduce existing waste tire stockpiles and expand end-user markets for products made from waste tires. The Waste Tire Management Fund was created and receives funding from a \$5 surcharge for a motor vehicle title issuance or transfer with funding available through FY 2002. It is estimated there are 2.8 million waste tires generated each year in Iowa with 80.0% of these from passenger cars. Approximately 75.0% of the waste tires are recycled and converted into tire-derived fuel. The LFB completed an **Issue Review** on this topic in November. For additional information regarding this **Issue Review**, please contact Deb Kozel at 515-281-6767. *The Governor is recommending \$500,000 from the Environment First Fund for the Waste Tire Management Fund.*



- Beverage Container Control Act. The Beverage Container Interim Study Committee was established by the 2000 General Assembly to study issues relating to the Beverage Control Act. The Act was approved by the 1978 General Assembly and became effective July 1, 1979. The purpose of the legislation was to control litter along roadways in Iowa by requiring a nickel deposit on some beverage containers. The Container Recycling Institute estimates the average consumption rate for beverage containers requiring a deposit in Iowa is 665 per

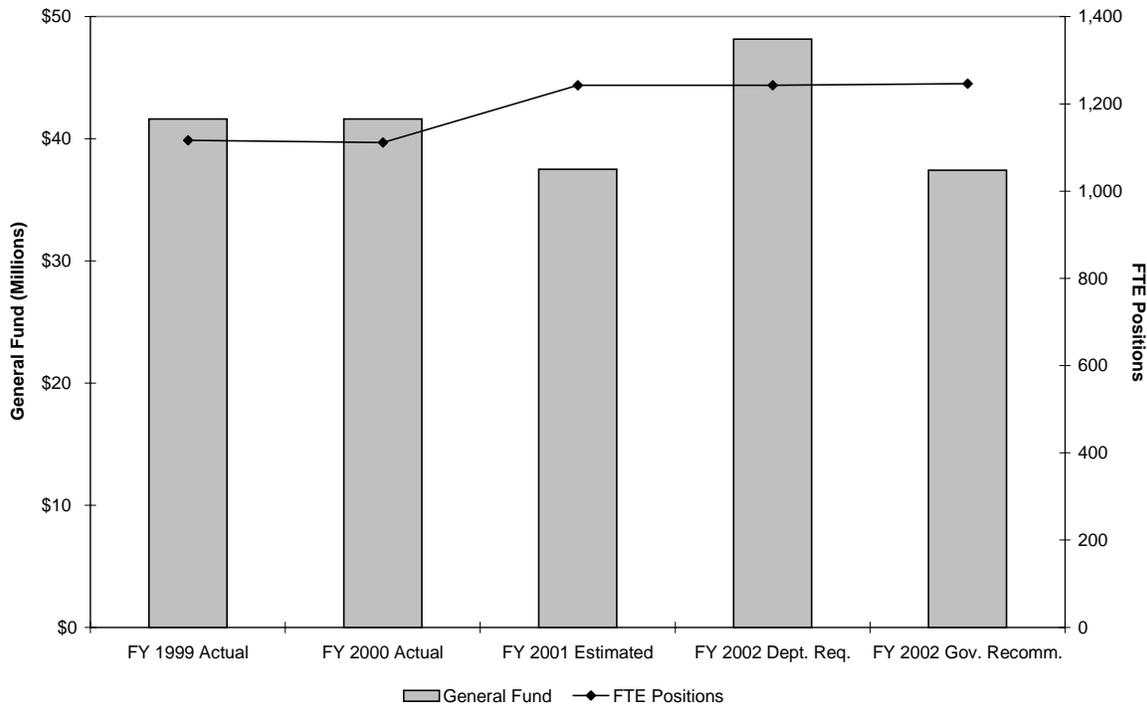
person per year. When Iowa's population of 2.8 million is multiplied by this average, this results in 1.9 billion containers per year. The Committee met on December 28 and January 5 to discuss the costs and benefits of the Program.

# ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE

## FY 2002 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$37.4 million and 1,246.5 FTE positions for the three departments of the Economic Development Appropriations Subcommittee. This is a decrease of \$84,000 (0.2%) and an increase of 4.2 (0.3%) FTE positions compared to estimated FY 2001. Included in these figures are \$7.6 million and 73.5 FTE positions for seven Board of Regent's programs traditionally funded through the Economic Development Subcommittee. This is no change in funding for these programs and a decrease of 0.6 (0.8%) FTE position compared to estimated FY 2001. A new concept or funding included in the Governor's Recommendations but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

**Economic Development Appropriations Subcommittee**



## Significant General Fund Changes Recommended

1. **Department of Economic Development (DED)** – A decrease of \$180,000 (0.8%) and an increase of 1.8 (0.8%) FTE positions compared to estimated FY 2001. The requested change includes the following significant items:
  - A. ❖ An increase of \$50,000 for General Administration to expand the Youth Institute of the World Food Prize.
  - B. ❖ An increase of \$150,000 for the Business Development Operations to provide technical and financial assistance to communities and businesses for high technology and entrepreneurial small business growth.
  - C. ❖ A decrease of \$500,000 for the Housing Development Assistance Program to consolidate housing programs within a single funding stream.
  - D. ❖ An increase of \$100,000 to create a Technology Marketing Initiative to implement a marketing and communications plan emphasizing the target industry clusters (life sciences, information solutions, and advanced manufacturing).
  - E. ❖ An increase of \$20,000 for the Partner State Program to host Japanese dignitaries.
2. **Iowa Workforce Development** - An increase of \$66,000 (1.0%) and 3.0 (0.3%) FTE positions compared to estimated FY 2001. The requested change includes:
  - A. An increase of \$86,000 for the Labor Division for equipment and materials used to conduct required inspections by elevator and boiler inspectors, and to add and replace equipment for the Industrial Hygienist relating to air sampling, carbon monoxide, and heat stress monitoring.
  - B. ❖ An increase of \$80,000 and 3.0 FTE positions for the Labor Division for two additional Occupational Safety and Health Administration (OSHA) inspectors and one support staff. This recommendation would be equally matched with federal funds.
  - C. ❖ An increase of \$190,000 and 2.0 FTE positions to the Workers' Compensation Division to oversee compliance and reduce the current backlog of cases in the Workers' Compensation Compliance Program.
  - D. ❖ Shifts \$67,000 in General Fund operations for the Employment Statistics Division to the Penalty and Interest Fund.



- E. ❖ Eliminates \$70,000 in General Fund and \$75,000 in federal funds and .25 FTE position for the Labor Management Coordinator. Recommends \$30,000 in other funds to phase out the current program over FY 2002.
  - F. No request for the Welfare-to-Work Program, which is a decrease of \$153,000 and 3.5 FTE positions. This program will end in FY 2003 and the already appropriated funds should be adequate to meet client needs. Approximately \$980,000 in General Fund appropriations was carried forward to FY 2001.
3. ❖ **Public Employment Relations Board** - An increase of \$30,000 (3.2%) to fund support costs.

### Significant Other Fund Changes Recommended

The Governor is recommending funding for the Department of Economic Development from several other State funds. Significant budget items include:



- A. \$12.5 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the Community Attraction and Tourism (CAT) Program, which is no change compared to the estimated FY 2001 level.
- B. \$8.0 million from the Workforce Development Withholding Fund for workforce training programs, which is no change compared to the estimated FY 2001 level.
- C. ❖ \$5.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the Accelerated Career Education (ACE) Infrastructure Program, which is a decrease of \$300,000 compared to the estimated FY 2001 level.
- D. \$4.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the Advanced Research Assistance Program.
- E. ❖ \$1.5 million from the Environment First Fund for Brownfield Project sites, which is a decrease of \$1.5 million compared to the estimated FY 2001 level.
- F. ❖ \$2.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the Physical Infrastructure Assistance Program, which is a decrease of \$500,000 compared to the estimated FY 2001 level.
- G. ❖ \$2.2 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the Local Housing Assistance Program, which is an increase of \$1.2 million compared to the estimated FY 2001 level. The Governor is recommending consolidating the funding for housing programs.

## Issues

The Economic Development Appropriations Subcommittee may wish to examine the following issues:

- *The Governor is recommending creating a New Economy Fund to promote growth in the targeted industries clusters of Advanced Manufacturing, Life Sciences, and Information Solutions. Funding is to be reallocated from existing appropriations and funding sources for:*
  - *Advanced Manufacturing to include an Advanced Manufacturing Education and Retraining Clearinghouse (\$1.3 million), an Advanced Manufacturing Research and Collaboration Consortium (\$275,000), and a Regulatory Review Alliance (\$350,000).*
  - *Information Solutions to develop an Information Technology Training/Education Coordinating Council to identify gaps in high-technology training services, to support high-technology start-up ventures, and to promote collaboration among venture and entrepreneurial recourses (\$1.4 million).*
  - *Life Sciences to create a Life Sciences Consortium to enhance growth of life science industries and aid in commercialization of new technologies (\$1.5 million).*
- *Digital Divide: Rural Iowa does not have the same access to new telecommunication services as urban areas. The Governor is recommending addressing advanced telecommunications services by creating an Iowa Alliance for Advanced Telecommunications Services to plan for providing affordable access, establishing network access points and peering points, and providing a Community Advanced Telecommunications Fund to bridge gaps in access to advanced telecommunications services through technology assessments, planning, and integration with community development. Funding is being recommended from the Rebuild Iowa Infrastructure Fund (RIIF) to be addressed by the Transportation, Infrastructure, and Capitals Appropriations Subcommittee.*
- *Vision Iowa: The Vision Iowa Board was created in FY 2001 by SF 2447 (Vision Iowa Program Act) and given responsibility for the Vision Iowa Program and the Community Attraction and Tourism (CAT) Program. The Vision Iowa Program receives \$15.0 million annually in gambling receipts and the Community Attraction and Tourism Program receives a \$12.5 million appropriation from the Rebuild Iowa Infrastructure Fund (RIIF) to fund infrastructure projects to enhance tourism. The Board has developed administrative rules and grant application procedures and anticipates beginning*

the grant application review process in January 2001. The Subcommittee may want to review the implementation of the Program, the types of proposals receiving funding, the leveraging of other resources, and the adequacy of State funding.

- **Tourism Multi-Media Marketing Promotions:** The Department conducted a multi-media marketing campaign in surrounding states promoting Iowa tourism. The campaign was funded with Community Attraction and Tourism (CAT) Program funds in FY 2001. The Department is requesting funding from the General Fund to continue the campaign in FY 2002. The Department has collected information concerning the effectiveness of the campaign. The Subcommittee may want to consider the effectiveness of the promotions and evaluate the impact on tourism.
- **Accelerated Career Education (ACE) Program:** The Accelerated Career Education Program was enacted in FY 2001. Administrative Rules are being implemented after negotiations between the Department of Economic Development and the community colleges. The Subcommittee may want to review the progress in implementing the Program. *The Governor is recommending new State funding of \$3.0 million for the Program for education in the targeted industry clusters.*
- **Workforce Recruitment:** The Department of Economic Development has developed a Smart Career Move website and conducted promotional activities to attract Iowa university alumni and high-tech and professional workers to Iowa. The Subcommittee may want to review these activities and examine their effectiveness.
- *The Governor is recommending increasing the State minimum wage to \$6.15 per hour over the next two years. Current minimum wage is \$5.15.*
- **Workforce Development Training Programs:** The Department of Economic Development has seven programs providing assistance to businesses and individuals to meet workforce training needs. These programs are funded from tax diversions, the Workforce Development Fund, and the General Fund. Some are new programs just starting while others are established programs training thousands of workers. The Subcommittee may want to examine whether these programs are providing a cost-effective means of addressing the labor needs of Iowa businesses and industry.
- **Program Performance:** Economic development programs often contain performance requirements for businesses receiving grants. The Subcommittee may want to examine the quality of those measures, the accountability of grant recipients, and the cost effectiveness of the programs.



- Immigration Issues: The Department of Workforce Development is requesting \$320,000 from the Penalty and Interest Fund in FY 2002 for immigration centers. There are currently two pilot centers being established in Muscatine and Sioux City with a \$160,000 appropriation from the Penalty and Interest Fund. The FY 2002 budget request would maintain these centers and provide for two additional ones. The Subcommittee may want to examine the results of these two programs, identify improvements, and consider whether they should be expanded statewide. *The Governor has identified immigrants as being a source to fill projected labor shortages in the future. The Governor is encouraging State and local agencies to collaborate in recruiting new lowans into Model Communities to help grow Iowa's population and increase the size of the State's labor force. The Governor is recommending \$212,000 from the General Fund and 4.2 FTE positions for the Department of Human Services for this purpose.*
- Status of the State's implementation of federal Welfare-to-Work Legislation: Iowa Workforce Development received \$153,000 in new funding for FY 2000 to match federal funds. A total of \$980,000 in General Funds have been carried-forward to FY 2001. The Department has not requested any additional funds for FY 2002, and projects the remaining funds will be sufficient to cover client needs until the program expires on June 30, 2002. The Subcommittee may want to examine the program to determine its effectiveness and if the remaining funds will be used as indicated.
- Administrative Contribution Surcharge: The surcharge on Unemployment Insurance taxable wages (Administrative Contribution Surcharge) sunsets June 30, 2001 and will no longer be in effect after December 31, 2001. These funds provide staff and services for workforce development offices throughout the State. If the General Assembly does not continue the surcharge, these offices will close unless other funding is identified.
- Iowa Finance Authority Administration of Federal Programs: The Iowa Finance Authority has contracted with the federal Housing and Urban Development (HUD) Program to provide administrative services and has significantly expanded the Authority's staffing. The Subcommittee may want to examine the expansion of the agency and the stability of this federal funding source.
- *The Governor is recommending creating a Strategic Housing Trust Fund with \$15.0 million in reallocated funding to consolidate all State funded housing programs.*
- Strategic Investment Fund Revenue Sources: The Iowa Seed Capital Corporation has been eliminated with the transition to the Iowa Seed Capital



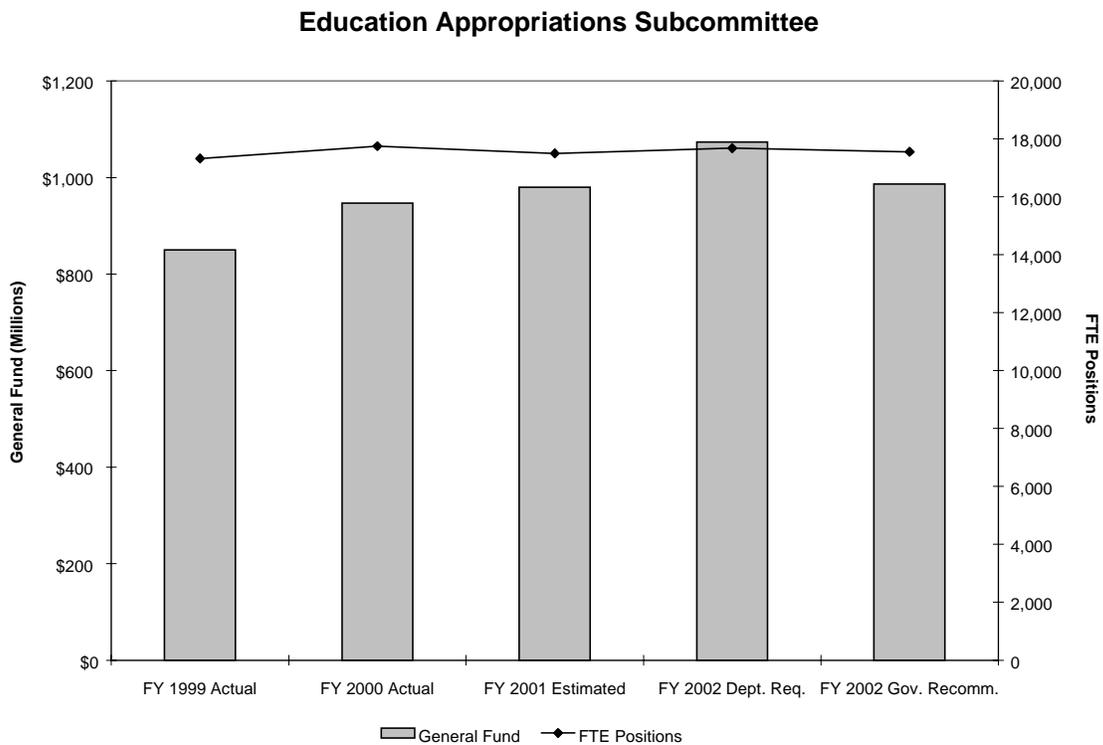
Liquidation Corporation (Section 27, SF 2296, FY 1999 Economic Development Appropriations Act) and the Corporation assets are being transferred to the Strategic Investment Fund. The Department estimates funding from this source will be exhausted in FY 2001. The Subcommittee may want to consider whether to replace this funding.

- Iowa Workforce Development's Integrated Customer Service and Common Intake Projects: The Department received \$2.5 million in FY 1998 General Fund reversions through the Technology Initiative (Section 7, SF 2418, FY 1997 Oversight and Communications Appropriations Act) to finance a multi-agency information technology project designed to improve customer service and tracking across several State agencies and programs. The Subcommittee may want to examine this project to determine its effectiveness.
- The Legislative Fiscal Bureau completed an *Issue Review* on the status of Vision Iowa Program. The *Issue Review* provides a description of the Vision Iowa Program and the Community Attraction and Tourism (CAT) Programs. Copies of the *Issue Review* are available from the LFB.
- The Legislative Fiscal Bureau completed an *Issue Review* that examines the Housing Assistance Fund and the First-Time Home Buyers Mortgage Loan Programs in regard to loan payment delinquencies and defaults. The *Issue Review* provides an explanation the programs and information on loan defaults experienced by each program. Copies of the *Issue Review* are available from the LFB.

# EDUCATION APPROPRIATIONS SUBCOMMITTEE

## FY 2002 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$986.2 million from the General Fund and 17,407.1 FTE positions for the four departments of the Education Appropriations Subcommittee. This is an increase of \$6.2 million (0.6%) and 54.4 (0.3%) FTE positions compared to estimated FY 2001. This figure does not include the Unassigned Standings, the Infrastructure Fund, the Technology Fund, or salary allocation. Unless otherwise indicated, all increases or decreases are compared to estimated FY 2001. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.



### Significant General Fund Changes Recommended

#### 1. College Student Aid Commission

- A. ❖ An increase of \$50,000 for a new program to provide educational assistance to United States Army recruiters located in Iowa.

B. An increase of \$65,000 for a new program to provide grants to foster children attending Iowa colleges and universities. The Commission implemented this Program in FY 2001 by utilizing interest earned on federal reserve funds.

C. ❖ An increase of \$1.1 million for the Tuition Grant Program to increase the maximum grant from \$4,000 to \$4,100 and the average grant from \$3,300 to \$3,400 for 14,765 participants.



D. An increase of \$125,000 for the Osteopathic Forgivable Loan Program.

## 2. Department of Cultural Affairs

A. ❖ An increase of \$75,000 and 1.0 FTE position for the Iowa Arts Council, which includes shifting the Folklife Programmer position to State funding (currently funded by a National Endowment for the Arts grant due to expire in FY 2002) and restoring the Touring Arts Team Program eliminated in the early 1990s.

B. An increase of \$75,000 for the State Historical Society for increased security at the State Historical Building.

## 3. Department of Education

A. A decrease of \$775,000 for the Beginning Teacher Mentoring Program, eliminating the separate line item from the Department's budget.

B. A decrease of \$1.4 million for National Certification Stipends, eliminating the separate line item from the Department's budget.



C. ❖ An increase of \$5.0 million to fund general aid for community colleges, with remainder of the request (\$4.3 million) funded through increased local levy capacity.

D. An increase of \$10.0 million for the Early Intervention Block Grant Program to reduce K-3 class sizes statewide to 17 students per teacher and improve basic skills. This is a standing limited appropriation, established during the 1999 legislative session in the Early Intervention Block Grant Act. The Act set funding at \$10.0 million for FY 2000, \$20.0 million for FY 2001 and \$30.0 million each year for FY 2002 and FY 2003.

E. ❖ An increase of \$100,000 for the Americorps After-School Initiative that provides after-school activities for at-risk youth.

- F. ❖ A new recommendation of \$95,000 to establish the Governor's Education Roundtable to promote cooperation among educators and seamless delivery of education to lowans at all levels.
  - G. ❖ A decrease of \$150,000 for the Board of Educational Examiners, to be replaced with fee income.
  - H. ❖ A decrease of \$1.4 million for the State Library, eliminating funding for Access Plus (\$400,000) and shifting Open Access funding (\$1.0 million) to the Enrich Iowa Libraries initiative.
  - I. ❖ An increase of \$1.0 million for the Enrich Iowa Libraries initiative. As a condition of funding, libraries would be required to offer Open Access.
  - J. ❖ An FY 2001 supplemental appropriation of \$42.0 million to fund teacher compensation and professional development.
4. **Board of Regents**
- A. An increase of \$3.0 million at Iowa State University (ISU) for continued expansion of the Plant Science Initiative.
  - B. A decrease of \$818,000 for the Regents Board Office for Tuition Replacement. Tuition Replacement represents funding for bond payments for buildings at the Regent institutions.

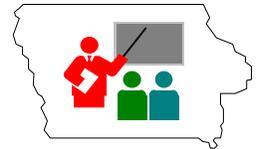
## Issues

The Education Appropriations Subcommittee may wish to examine the following issues:

- The federal Balanced Budget Act of 1997 requires the return of approximately \$1.0 billion in state guaranty agency reserves by the end of Federal Fiscal Year 2002. The Iowa College Student Aid Commission's portion of this total is approximately \$39.0 million. The Commission has a five-year window (FY 1998 through FY 2002) to use interest earned on federal reserve funds for default reduction efforts. The Commission has established several new programs by utilizing interest revenues and may request General Fund appropriations to support these programs once the federal interest receipts are eliminated. For example, the Commission is requesting \$65,000 from the General Fund for FY 2002 for the Foster Care Grant Program that was established using \$300,000 of interest revenues in FY 2001. The Commission is estimating interest income of \$905,000 for both FY 2001 and FY 2002. *The Governor is recommending \$65,000 from the General Fund for the Foster Care Grant Program for FY 2002.*
- Repayments for forgivable loan programs administered by the College Student Aid Commission, such as the Teacher Shortage Forgivable Loan Program,

Chiropractic Forgivable Loan Program, and the Osteopathic Forgivable Loan program. A high level of repayments indicates that students accepting these loans are not fulfilling the Iowa service requirements and are subsequently having to repay the loans rather than earning loan forgiveness. In FY 2001, the General Assembly reduced the appropriation to the Osteopathic Forgivable Loan Program by \$125,000 because of repayments. The Commission is estimating repayments of \$78,000 for FY 2001 and \$150,000 for FY 2002 for the Osteopathic Forgivable Loan Program. *The Governor is recommending an increase of \$125,000 for this Program for FY 2002 to restore the reduction made in FY 2001.*

- The use of federal funds to reduce class sizes in the early grades. Iowa received \$9.4 million in FY 2000 and \$10.2 million for this initiative in FY 2001. For FY 2002, it is anticipated that this funding will remain relatively static.
- Teacher Shortage Forgivable Loan Program. The demand for this Program is increasing. The number of loan recipients has increased from 185 in FY 2001 to a projected 388 for FY 2002.
- Teacher Compensation. During the 2000 interim, two separate groups made recommendations concerning teacher compensation, retention, and recruitment. The Business Forum on Education, headed by Marvin Pomerantz, submitted its plan to legislative leaders. The Educator Compensation Design Team, lead by John Forsythe, submitted its plan to Governor Vilsack. *The Governor is recommending an FY 2001 supplemental appropriation of \$42.0 million for teacher compensation and professional development.*
- Oversight of general university budgets at the Board of Regent institutions. Significant initiatives that had previously been appropriated as separate budget units were rolled in to the general university budgets for FY 2001. These include the Public Health Initiative at the University of Iowa (SUI), the Center for Excellence in Plant Science at Iowa State University (ISU), and the Masters in Social Work at the University of Northern Iowa (UNI). *The Governor is recommending an increase of \$3.0 million for ISU for the Center for Excellence in Plant Science.*



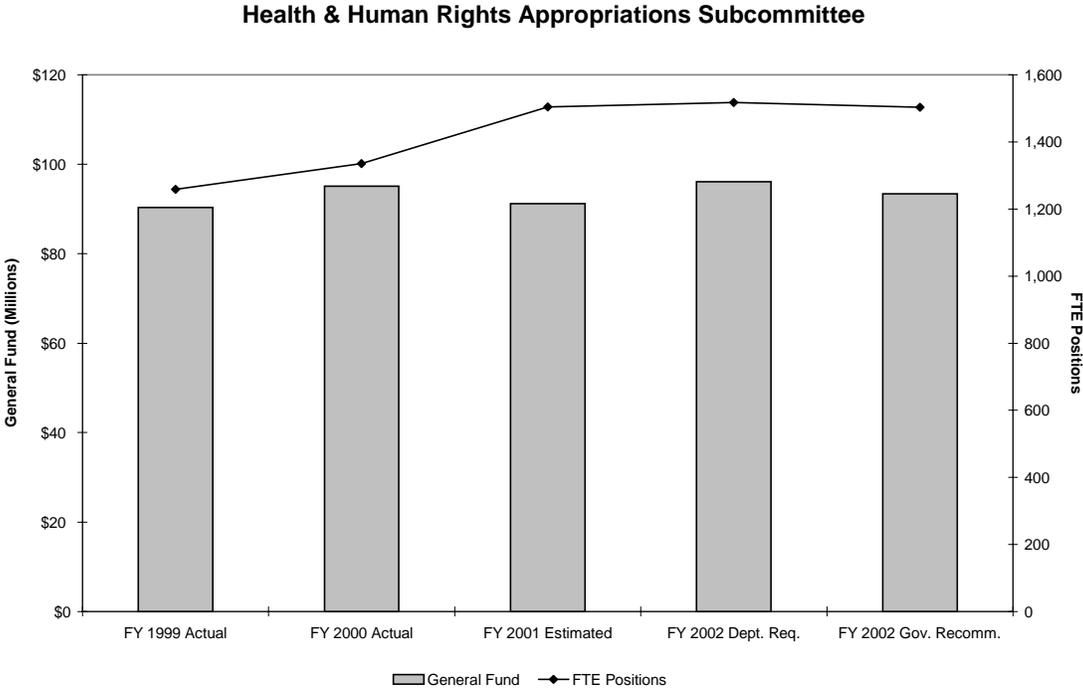
Statewide educational topics are covered in more detail under Educational Issues in the General Fund Issues Section of this document.

# HEALTH AND HUMAN RIGHTS APPROPRIATIONS SUBCOMMITTEE

## FY 2002 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$93.4 million and 1,503.3 FTE positions from the General Fund for the seven departments of the Health and Human Rights Appropriations Subcommittee. This is a General Fund increase of \$2.1 million (2.3%) and a decrease of 1.2 FTE positions (0.1%) compared to estimated FY 2001. Some of the FTE positions above (1,503.3) may be funded with other fund dollars. In addition, the Governor is recommending \$24.7 million from tobacco settlement revenues, an increase of \$610,000 (2.5%), and \$5.1 million from the Senior Living Trust Fund, an increase of \$880,000 (21.0%). Unless otherwise indicated, all increases or decreases are compared to FY 2001.

A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of the General Fund appropriations and FTE positions.



## Significant Changes Recommended

1. **Civil Rights Commission** - ❖ An increase of \$50,000 to upgrade the information technology systems at the Commission.
2. **Department of Elder Affairs**
  - A. An increase of \$60,000 and 1.0 FTE position for an additional long-term care ombudsman and support for Resident Advocate Committees.
  - B. An increase of \$40,000 for additional funding for Retired Senior Volunteers Programs.
  - C. ❖ An increase of \$218,000 to ensure the adult protective services system is responsive to victims' needs.
  - D. ❖ The Governor is also recommending \$5.1 million and 1.0 FTE position from the Senior Living Trust Fund to enhance the long-term care system and ensure that the adult protective services system is responsive to victims' needs.



3. **Department of Public Health**

- A. Addictive Disorders

1. An increase of 4.0 FTE positions to provide substance abuse treatment that was provided by contractors in FY 2001.
    2. ❖ An increase of \$390,000 for substance abuse treatment.

- B. Child and Adolescent Wellness

1. ❖ An increase of \$90,000 and 2.0 FTE positions for an African American Infant Mortality Initiative.
    2. An increase of \$20,000 and 0.1 FTE position for a Child Death Review Team assessment of the response by the Department of Human Services after the death of a child.
    3. ❖ An increase of \$71,000 and 0.5 FTE position for Child Death Review Team investigations of children from birth through age 17.
    4. A decrease of \$100,000 for the Physicians Care for Children Program.
    5. An unspecified decrease of 3.5 FTE positions.



- C. Community Capacity
1. A decrease of \$30,000 and 0.5 FTE position to transfer the local board of health Environmental Liaison Program to the Public Protection Division.
  2. An unspecified increase of 0.2 FTE position.
- D. Environmental Hazards - A decrease of \$128,000 and 2.0 FTE positions to transfer support for the administration of the Radiological Health Bureau to the Public Protection Division.
- E. Public Protection
1. An increase of \$128,000 and 2.0 FTE positions to transfer the support for the administration of the Radiological Health Bureau from the Environmental Hazards Division.
  2. An increase of \$30,000 and 0.5 FTE position to transfer the local board of health Environmental Liaison Program from the Community Capacity Division.
  3. An unspecified decrease of 4.5 FTE positions.
- F. ❖ The Governor is recommending \$24.7 million and 15.0 FTE positions from tobacco settlement revenues, which is an increase of \$610,000 (2.5%) and no change in FTE positions compared to estimated FY 2001. The Governor is recommending the funds be appropriated as follows:
1. ❖ \$12.5 million to Addictive Disorders for substance abuse treatment. This is an increase of \$610,000 (5.1%) compared to estimated FY 2001.
  2. \$2.8 million and 4.8 FTE positions for Healthy Iowans 2010 initiatives, which is no change compared to estimated FY 2001, is to be allocated as follows:
    - a. \$82,000 to Adult Wellness for implementation of prevention strategies to address the leading causes of death as detailed in Healthy Iowans 2010.
    - b. \$82,000 to Child and Adolescent Wellness for the Prevention of Suicide in Children Program.
    - c. \$1.5 million to Community Capacity for core Public Health functions outlined by Healthy Iowans 2010.
    - d. \$400,000 and 1.8 FTE positions to Injuries for Trauma and Emergency Medical Services.
    - e. \$437,000 to Injuries for Poison Control.



- f. \$146,000 and 2.0 FTE positions to Resource Management for an Environmental Health Division Director and Secretary.
  - g. \$154,000 and 1.0 FTE position to Environmental Hazards for Environmental Epidemiology.
3. \$9.3 million and 11.0 FTE positions for Tobacco Use Prevention and Cessation Programs, which is no change compared to estimated FY 2001.

4. **Department of Human Rights**

- A. Deaf Services - An increase of \$37,000 to offset a decrease in fees collected for interpreting services.
- B. Justice Data Warehouse - An increase of \$60,000 to replace funding from the Pooled Technology Account for support and personnel.
- C. Status of Southeast Asians - An increase of \$53,000 and 1.0 FTE position to establish the Division on the Status of Southeast Asians.

5. **Commission on Veterans Affairs**

A. Iowa Veterans Home

- 1. An increase of \$224,000 for increased medication costs.
- 2. An increase of \$693,000 for unfunded FY 2001 cost of living adjustments (COLA) and health insurance increases.
- 3. An increase of \$175,000 for a projected increase in the cost of providing Workers' Compensation.
- 4. An increase of \$120,000 for the inflationary adjustment to the housekeeping contract with American Building Maintenance and the additional cost of increased building space from the current construction project.
- 5. An increase of \$32,000 for food and dietary supplies.
- 6. An unspecified decrease of 0.4 FTE position.



B. Veterans Affairs Administration

- 1. ❖ An increase of \$47,000 and 0.8 FTE position for a coordinator for a pilot project to help increase veteran's benefits.
- 2. ❖ An increase of \$3,000 for a poster campaign on veteran's benefits availability.

- C. Merchant Marine Bonus - A decrease of \$150,000 due to a one-time appropriation that was made for FY 2001 to provide bonuses to eligible World War II merchant marines or eligible dependents of such merchant marines.

### Issues

The Health and Human Rights Appropriations Subcommittee may wish to examine the following issues:

- **Department for the Blind - Services for Iowa's Older Blind Population** - Examine the number of new referrals to the Department that are in older age groups. Given the State's aging population and the prevalence of age-related vision loss in this group, the Department anticipates the number of referrals will continue to increase.
- **Department of Elder Affairs - Adult Protective Services** - Examine efforts to reduce the gap between the prevalence of adult abuse and reporting rates by increasing the reporting of dependent adult abuse and decreasing the incidence of abuse (prevention activities). *The Governor is recommending \$218,000 from the General Fund and 1.0 FTE position funded from the Senior Living Trust Fund.*
- **Department of Elder Affairs - Long-Term Care System Development** - Consider the effectiveness of increasing services and implementing changes to the long-term care system in order to effectively manage the anticipated growth in the number of elderly needing long-term care services. Initiatives include the development of programs such as assisted living, respite care, and adult day service care that provide alternatives to nursing homes. *The Governor is recommending \$672,000 from the Senior Living Trust Fund.*
- **Department of Human Rights - Low-Income Home Energy Assistance Program (LIHEAP)** - Examine the impact of rising fuel costs on low-income households this winter. The Department anticipates an 18.0% increase compared to FY 2001 in the number of households served by the Program, which is a federally-funded block grant program designed to assist eligible low-income Iowa households with a portion of their residential heating costs.
- **Department of Human Rights - HAWK- I Outreach** - Examine outreach efforts through the Division of Community Action Agencies in order to implement innovative strategies to identify and enroll children in the HAWK-I Program and identify successful outreach practices and barriers to enrollment.

- **Department of Public Health - Local Agency Needs** – Examine changes in the Medicare payment system and limited increases provided in the Medicaid budget, which may create funding difficulties in local agencies.
- **Department of Public Health - Gambling Treatment Fund** – Examine FY 2001 allocations to the Department of Public Health from the Gambling Treatment Fund appropriation. In FY 2001, the Addictive Disorders General Fund appropriation for substance abuse treatment was reduced, and an allocation from the Gambling Treatment Fund was made to partially offset the reduction. For FY 2002, the Iowa Racing and Gaming Commission voted to ask the General Assembly to appropriate Gambling Treatment Fund dollars only for the Gambling Treatment Program. The Subcommittee may want to examine the appropriation of these funds as well as alternatives.
- **Department of Public Health - Iowa Prescription Cooperative** – Examine the proposed Iowa Prescription Cooperative. In December 2000, the U.S. Congress appropriated \$1.0 million to the Department for Program start-up costs. The goal of the Program is to reduce the cost that Iowa Seniors pay for prescription drugs. The Department has been directed by the federal government via the Labor, Health and Human Services 2000 Appropriation Bill to create a “buyers club” to establish purchasing power to help reduce the price of prescription drugs for all club members. In order to join the “buyers club”, an eligible Senior would pay a membership fee, which would then be used to help run and maintain the Program. All Iowa residents who qualify for Medicare (390,000 seniors) would be eligible for the “buyers club”. The Department hopes to have the Iowa Prescription Cooperative in operation by June 2001.
- **Iowa Veterans Home - Costs of Drugs and Medical Supplies** - Examine the increase in costs for pharmaceuticals at a rate of approximately 18.0% per year. Increased costs are generated by both the use of new medications and inflation of current medications.
- **Iowa Veterans Home - Pharmacist** - Examine the difficulty the Home is having attracting and retaining Pharmacists due to the current market conditions for this job class.



The LFB completed the following *Issue Reviews* related to the Health and Human Rights Appropriations Subcommittee:

- Childhood Lead Poisoning and Prevention
- Housekeeping and Dietary Services Staffing at the Iowa Veterans Home

For further information on these *Issue Reviews*, please contact Lisa Burk at (515) 281-6765 or Russ Trimble at (515) 281-4613.

# HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE

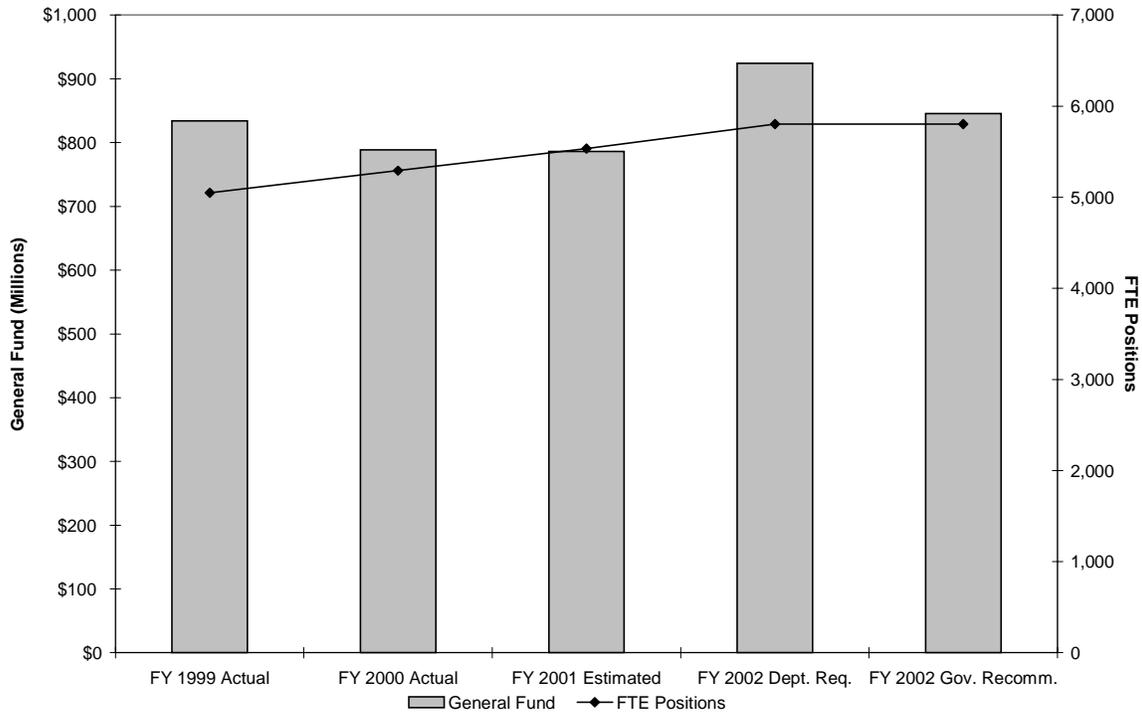
## FY 2002 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$845.4 million from the General Fund and 5,801.8 FTE positions, an increase of \$59.2 million (7.5%) and 270.0 FTE positions (4.9%) compared to estimated FY 2001. The Governor is also recommending \$30.9 million from tobacco settlement revenues, an increase of \$4.4 million (16.5%) compared to estimated FY 2001. In addition, the Governor is recommending \$42.5 million from the Senior Living Trust Fund, an increase of \$2.5 million (6.1%) compared to estimated FY 2001.

A new concept or funding included in the Governor's recommendation but not included in the department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖.

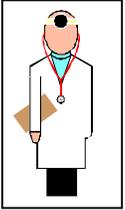
The following graph illustrates the history of General Fund appropriations and FTE positions.

**Human Services Appropriations Subcommittee**

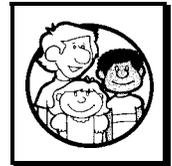


The following lists significant FY 2002 funding changes by budget unit. Unless otherwise indicated, all funding changes are recommended from the General Fund:

### Significant State Funding Changes Recommended

1. **Economic Assistance** - An increase of \$1.3 million (3.0%) and 49.0 FTE positions (17.3%) compared to estimated FY 2001. This includes:
  - A. Family Investment and Promise Jobs Programs – An increase of \$1.3 million and no change in FTE positions compared to estimated FY 2001. Significant changes include:
    1. An increase of \$734,000 to provide General Fund dollars for a technology initiative previously funded through a technology initiative account. 
    2. ❖An increase of \$496,000 to complete development of Electronic Benefits Transfer (EBT) and fund a \$0.05 per transaction retailer fee. The Governor is recommending the retailer fee be reduced from the \$0.15 per transaction fee previously set by the General Assembly.
    3. An increase of \$314,000 to meet maintenance of effort requirements.
    4. ❖A decrease of \$200,000 due to an anticipated increase in child support recoveries resulting from converting contract staff to State employees.
  - B. ❖Child Support Recovery Unit – No change in funding and an increase of 49.0 FTE positions to convert contract staff to State employees.
2. **Medical Services** – An increase of \$41.0 million (9.4%) and 8.0 FTE positions compared to estimated FY 2001. The change includes:
  - A. Medical Assistance - An increase of \$35.3 million. Significant changes include:
    1. An increase of \$38.2 million for provider reimbursements due to increased eligibles and increased utilization.
    2. ❖An increase of \$3.2 million to provide a 4.0% nursing facility reimbursement rate increase.
    3. An increase of \$5.7 million for increased waiver expenditures.
    4. An increase of \$1.5 million for increased eligibles for the Medicaid for Employed Persons with Disabilities Program. 

5. ❖ A decrease of \$8.3 million for revised hospital reimbursements.
  6. ❖ A decrease of \$436,000 due to a higher than anticipated federal Supplemental Security Income subsidy.
  7. ❖ A decrease of \$1.9 million to carry forward an unspent FY 2001 Tobacco Settlement Fund appropriation.
  8. ❖ A decrease of \$2.7 million to fund provider rate increases through the Tobacco Settlement Fund rather than the General Fund.
- B. Pharmaceutical Case Management - A decrease of \$414,000 to eliminate one-time FY 2001 funding for a disease-specific pharmaceutical case management study.
- C. Children's Health Insurance Program - An increase of \$5.8 million. Significant changes include:
1. An increase of \$6.0 million due to a one-time FY 2000 Trust Fund carryforward used to offset FY 2001 costs.
  2. A decrease of \$2.0 million due to an anticipated carryforward of unexpended FY 2001 funds in the HAWK-I Trust Fund.
  3. A decrease of \$1.7 million to adjust the FY 2001 Medicaid expansion budget to reflect revised enrollment projections. The FY 2002 budget recommendation assumes an average monthly enrollment of 6,200 children in the Medicaid expansion portion of the CHIP.
  4. An increase of \$3.3 million for anticipated increased enrollment in the HAWK-I Program. The FY 2002 budget recommendation assumes an average monthly enrollment of 20,400 children in the HAWK-I portion of the CHIP.
  5. An increase of \$259,000 for anticipated increased enrollment of infants in the CHIP. The FY 2002 budget recommendation assumes an average monthly enrollment of 150 infants in the CHIP.
- D. Medical Contracts – An increase of \$696,000 and 8.0 FTE positions. Significant changes include:
1. An increase of \$373,000 due to base budget increases including fiscal agent administration, nursing facility admission review, and Drug Utilization Review.



2. An increase of \$823,000 due to a change in claims processing. The recommendation includes an increase in the number of claims processed, a 3.5% rate increase, and a change in the State match rate.
3. ❖ A decrease of \$500,000 and an increase of 8.0 FTE positions to convert contract staff to State employees and maximize federal matching funds.

From the Senior Living Trust Fund:

- A. ❖ An increase of \$3.0 million to increase funding for nursing facility acuity-based reimbursements.
- B. A decrease of \$507,000 for long-term care alternative grant administration.

❖ From the Tobacco Settlement Fund: An increase of \$4.3 million to annualize the cost of provider rate increases provided in October 2000.

3. **Serving Adults, Children, and Families** – An increase of \$5.6 million (4.2%) and 2.0 FTE positions (0.5%) compared to estimated FY 2001. This includes:

- A. ❖ Child Care Services – No net change, but specific changes include a combination of increased funding from the Temporary Assistance to Needy Families (TANF) and the Child Care Development Fund (CCDF), not borrowing from the three-month fiscal year overlap between the State fiscal year and the federal fiscal year, as well as removing the existing waiting list for additional children on July 1, 2001. The Governor also recommends a FY 2001 TANF supplemental appropriation of \$1.4 million.
- B. Iowa Juvenile Home in Toledo - An increase of \$162,000 and 2.0 FTE positions. This includes:
  1. An increase of \$149,000 for inflation.
  2. An increase of \$13,000 and 2.0 FTE positions for vocational instructors.
- C. State Training School in Eldora - An increase of \$181,000 and no change in FTE positions for inflation.
- D. Children and Family Services - An increase of \$5.2 million. This includes:
  1. An increase of \$779,000 due to a decrease in the percentage of children eligible for federal financial participation and decreased federal matching rates.

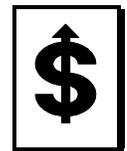
2. An increase of \$131,000 to replace one-time carryforward funds from FY 2000. The funds were available for carry forward because the subsidized guardianship program was not implemented.
  3. An increase of \$1.5 million for an increase in the number of subsidized adoptions.
  4. An increase of \$1.1 million to maintain adoptions, guardianships, family foster care, and independent living costs at 70.0% of the federal United States Department of Agriculture estimated regional cost to raise a child.
  5. An increase of \$275,000 for child welfare accountability and local results based reporting activities.
  6. An increase of \$500,000 for the National Adoption and Foster Care Information System.
  7. An increase of \$40,000 to replace the fourth quarter of the lost federal funds for Mediation for Permanency programs.
  8. An increase of \$225,000 for an additional 13 Psychiatric Medical Institution for Children (PMIC) beds.
  9. An increase of \$336,000 for a child protective services quality assurance team.
  10. An increase of \$282,000 for child abuse training.
- E. Family Support Subsidy – An increase of \$62,000 for a 3.5% cost of living adjustment for subsidy payments.



❖ From the Tobacco Settlement Fund – An increase of \$108,000 to annualize the cost of child welfare provider rate increases provided in October 2000 and to fund services for additional children.

4. **Services for Persons with Mental Illness/Mental Retardation/Developmental Disabilities/Brain Injuries** - An increase of \$5.9 million (5.6%) and 10.8 FTE positions (0.4%) compared to estimated FY 2001. This includes:

- A. Cherokee Mental Health Institute – An increase of \$213,000 and no change in FTE positions for inflation.
- B. Clarinda Mental Health Institute – An increase of \$199,000 and no change in FTE positions. This includes:
  1. An increase of \$134,000 for inflation.
  2. A general increase of \$65,000.



- C. Independence Mental Health Institute – An increase of \$379,000 and an increase of 5.8 FTE positions. This includes:
1. An increase of \$379,000 for inflation.
  2. An increase of 5.8 FTE positions funded by reallocations.
- D. Mount Pleasant Mental Health Institute – An increase of \$1,000 and no change in FTE positions. This includes:
1. An increase of \$66,000 for inflation.
  2. A general decrease of \$65,000.
- E. Glenwood State Resource Center – A decrease of \$1.1 million and no change in FTE positions. This includes:
1. A decrease of \$1.1 million due to an increase in receipts available from the FY 2001 salary funds and changes in federal match rates.
  2. An increase of \$27,000 for inflation.
- F. Woodward State Resource Center – A decrease of \$790,000 and no change in FTE positions. This includes:
1. A decrease of \$810,000 due to an expected increase in receipts available from the FY 2001 salary funds and changes in federal match rates.
  2. An increase of \$20,000 for inflation.
- G. State Cases Program – An increase of \$1.2 million due to projected increases in county referrals to the Program for mentally ill, mentally retarded, and developmentally disabled populations.
- H. Sexual Predator Commitment Program – An increase of \$473,000 and 5.0 FTE positions. This includes:
1. An increase of \$250,000 to replace one-time FY 2000 carryforward funds.
  2. An increase of \$13,000 for inflation.
  3. An increase of \$110,000 for increased patients.
  4. An increase of \$100,000 and 5.0 psychiatric security specialists FTE positions.
- I. Mental Health Property Tax Growth – An increase of \$5.5 million. This was appropriated for FY 2002 in SF 2452 (FY 2001 Standings Appropriations Act). The change is for expected increased mental health costs associated with new clients and inflation. ❖The



Governor recommends a 3.0% increase for FY 2003, an increase of \$7.2 million.

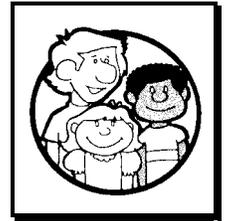
5. **Managing and Delivering Services** – An increase of \$5.4 million (7.8%) and 200.2 FTE positions (8.2%) compared to estimated FY 2001. This includes:
  - A. Field Operations – An increase of \$11.1 million and 329.2 FTE positions. Significant changes include:
    1. An increase of \$5.9 million and 154.2 FTE positions to merge the Regional Offices FY 2001 appropriation and FTE positions into the Field Operations budget unit.
    2. A decrease of \$142,000 in cost allocations.
    3. An increase of \$389,000 to replace the amount previously transferred from the federal Temporary Assistance for Needy Families (TANF) to supplement the federal Social Security Block Grant (SSBG) funds.
    4. An increase of 32.0 FTE positions for inspections and spot checks for child care funded by a federal child care safety and health grant.
    5. An increase of \$1.8 million and 45.0 FTE positions for child protection and child welfare workers.
    6. An increase of \$3.5 million and 98.0 FTE positions for child safety and permanency workers.
    7. An increase of \$700,000 for training of new FTE positions.
    8. ❖ A decrease of \$1.0 million to include a 20.0% vacancy factor for new staff positions.
  - B. General Administration – An increase of \$161,000 and 25.2 FTE positions. Significant changes include:
    1. ❖ An increase of \$212,000 and 4.2 FTE positions to develop a New lowans recruitment initiative. The initiative will promote the recruitment of minority populations by establishing human service support networks.
    2. An increase of 14.0 FTE positions to transition information technology positions from contract employees to State employees.
    3. An increase of 7.0 FTE positions to add child protection staff.

- C. Regional Offices – A decrease of \$5.9 million and 154.2 FTE positions to merge the Regional Offices FY 2001 appropriation and FTE positions into the Field Operations budget unit.

**Issues**

The Human Services Appropriations Subcommittee may wish to examine the following issues:

- **Children’s Health Insurance Program (CHIP):** The 1998 General Assembly appropriated \$7.0 million to Iowa’s Children’s Health Insurance Program in FY 1999 to provide health insurance to low-income children. At the time the appropriation was made, the DHS estimated that as many as 54,000 children could be eligible for the Program, and that enrollment would continue over a period of years. As of October 31, 2000, 15,800 children had enrolled in Iowa’s Program. Children’s Health Insurance Program expenditures for FY 2000 were \$5.0 million, \$6.3 million less than available State funding. The DHS attributes the reduced expenditures to slower than anticipated enrollment. The General Assembly may wish to study options to increase enrollment, and may wish to adjust the FY 2002 budget request for the CHIP. The Governor’s budget recommendation is based on 26,600 children being enrolled in the Program by the end of FY 2002.



- **Medicaid Expenditures:** Final FY 2000 General Fund expenditures for the Medical Assistance Program were \$430.8 million (102.1%) of budget. This is \$8.7 million over the yearly budget established by the Department. To fund the budget deficit, the DHS:



- Transferred \$3.5 million from various budget units within the DHS to the Medical Assistance appropriation.
- Received an appropriations transfer of \$4.4 million from other State agencies.
- Received funding of \$832,000 from the State Appeals Board’s standing unlimited appropriation.

The DHS indicates expenditures exceeded budget primarily because utilization of services such as inpatient hospital, outpatient hospital, and physician services was higher than anticipated. The DHS expects the increased utilization to continue in FY 2001, resulting in a deficit of \$7.5 - \$11.2 million compared to the FY 2001 General Fund appropriation.

- **Electronic Benefits Transfer:** The 1998 General Assembly passed HF 2468 (Electronic Benefits Transfer Act) which established an Electronic Benefits

Transfer Program (EBT) and provided food stamp benefits to eligible individuals through use of a debit-type card. *The Governor's FY 2002 budget recommendation includes \$422,000 for technology initiatives to develop and implement statewide EBT by the federal implementation deadline of October 1, 2002. The recommendation also includes \$74,000 to begin funding a \$0.05 transaction fee. The recommended fee is lower than the \$0.15 per transaction fee required in enacting legislation.* The General Assembly may wish to study the ongoing validity of the \$0.15 fee and consider whether benefits in addition to food stamps should be incorporated into Electronic Benefits Transfer.

- **Medicaid for Employed Persons with Disabilities:** In October 2000, Iowa received a federal grant of \$625,000 from the Ticket to Work and Work Incentives Improvement Act to support Iowa's efforts to enhance its Medicaid Program to better serve people with disabilities who are employed. The grant may be used only for infrastructure and not for service delivery, except as a last resort. Iowa intends to use the grant to support development of the following:



- Adding personal assistance services as an option under the State Medicaid Plan. The DHS anticipates personal assistance services will be available statewide by January 2003.
- Revising Iowa's home and community-based waivers to be more supportive of disabled individuals who are employed. The DHS anticipates making recommendations for improvement of Iowa's waivers by October 2001.
- An efficient and accessible Medicaid Buy-In Program. The DHS implemented administrative rules for the Medicaid Buy-In Program in March 2000. The rules permit disabled individuals whose incomes from employment exceed traditional Medicaid income limitations to purchase Medicaid coverage through the State. The DHS anticipates enhancing this Program by December 2000.

The General Assembly may wish to monitor the progress of these initiatives and study the fiscal impact of proposed revisions to Iowa's Medicaid program for employed persons with disabilities.

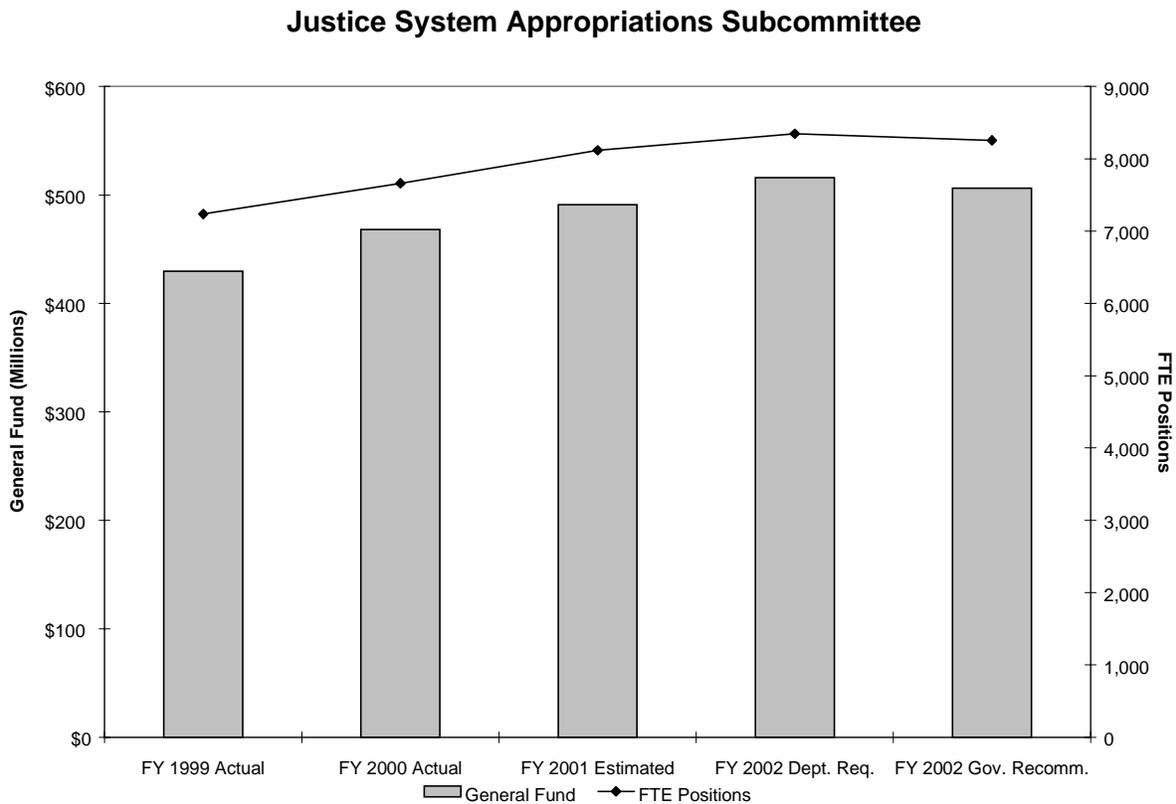
- **Mental Health Funding Inflation:** The General Assembly is scheduled to consider a mental health allowed growth factor for FY 2003. The General Assembly may wish to review the balances of the 99 county Mental Retardation and Developmental Disabilities Services Funds when determining the growth factor for FY 2003. *The Governor recommends a 3.0% increase for FY 2003, an increase of \$7.2 million.*

- **State Cases Program:** The State Cases Program appropriation pays for services to persons with mental health, mental retardation, or developmental disabilities who have not established legal residence in an Iowa county. The DHS does not anticipate leveling of the growth trend in the near future. The General Assembly may wish to study options to control the costs of the State Cases Program, including possible removal of statutory requirements that once a person is eligible for the State Cases Program, the person remains eligible until departure from the State. *The Governor recommends an increase of \$1.2 million for FY 2002.*

# JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE

## FY 2002 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$506.3 million from the General Fund and 8,256.5 FTE positions for the eight departments of the Justice System Appropriations Subcommittee. This is an increase of \$15.4 million (3.1%) and 141.4 (1.7%) FTE positions compared to estimated FY 2001. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of the General Fund appropriations and FTE positions.



## Significant General Fund Changes Recommended

### 1. Department of Justice

- A. An increase of \$250,000 for Legal Services Poverty Grants.
- B. ❖ An increase of \$75,000 to offset a revenue decrease from the loss of the tax-form check-off for Victim Assistance Grants.
- C. ❖ Amending the Code of Iowa to permit \$100,000 from the Victim Compensation Fund to be used for training advocates of sexual abuse victims.



### 2. Department of Corrections (DOC)

- A. Institutions - An increase of \$1.1 million and 6.4 FTE positions compared to estimated FY 2001. The major changes include:
  - 1. An increase of \$251,000 and 2.5 FTE positions to continue implementation of the Iowa Criminal Offender Network (ICON), including purchases of hardware and software, and staff training.
  - 2. An increase of \$135,000 and 3.0 FTE positions for registered nurses at Clarinda and Newton.
  - 3. ❖ A decrease of \$623,000 to annualize 4.0 FTE positions and provide utilities for the Special Needs Unit at Fort Madison (\$204,000 and 1.4 FTE positions) and eliminate FY 2001 one-time costs (\$827,000). Full staff and operations costs are funded in FY 2003. The DOC estimates it will cost approximately \$6.1 million and 114.0 FTE positions annually to operate the 200-bed Special Needs Unit. The Governor is recommending that one-time costs of \$333,000 for an electrical power upgrade for the Special Needs Unit be funded from the Rebuild Iowa Infrastructure Fund.
  - 4. An increase of \$110,000 to replace expiring federal funding for substance abuse treatment at Fort Dodge.
  - 5. An increase of \$102,000 for sewer volume rate increases at Oakdale and Newton.
  - 6. An increase of \$1.03 million for natural gas increases at all of the Institutions except Fort Dodge.
  - 7. ❖ An increase of \$105,000 for the Oakdale facility to connect to the city of Coralville's water plant. The Governor is

recommending that one-time costs of \$100,000 be funded from the Rebuild Iowa Infrastructure Fund.

8. ❖ An increase of \$25,000 for increased costs of sewer and water services from the city of Mitchellville. The Governor is recommending that one-time costs of \$364,000 for the State's share of the costs for the city's new wastewater treatment plant be funded from the Rebuild Iowa Infrastructure Fund.

B. Central Office – A decrease of \$888,000 and no change in FTE positions compared to estimated FY 2001. The major changes include:

1. A decrease of \$797,000 for the lease-purchase payments related to construction authorized in FY 1990. FY 2001 was the final year of the lease-purchase payment.
2. ❖ A decrease of \$91,000 for the County Confinement Account. The Account reimburses counties for holding parole, work release, and Operating While Intoxicated (OWI) violators in local jails, pending revocation hearings. The Governor is recommending a statutory change to reimburse counties a flat fee of \$25.00 per day per client held in the local jail.

C. Community-Based Corrections – An increase of \$2.6 million and 35.5 FTE positions compared to estimated FY 2001. The major changes include:

1. An increase of \$332,000 to replace federal funds for the following programs: Youthful Offenders, Drug Court, Victim Contacts, Sex Offender Treatment and Supervision, and Domestic Violence. This funding is requested in the First, Second, Third, Fifth, and Eighth CBC District Departments.
2. ❖ An increase of \$610,000 to replace tobacco funds with State General Fund money for Day Programming (Second CBC District Department) and Drug Courts (Third, Fourth, and Fifth CBC District Departments). This figure does not include the Governor's recommended reduction of \$38,000 to eliminate the County Attorney contract for the Drug Court in Polk County.
3. ❖ An increase of \$465,000 and 6.0 FTE positions for new Drug Courts in the First, Sixth, and Seventh CBC District Departments.



4. ❖ An increase of \$504,000 and 12.0 FTE positions to provide mandatory two-year supervision of sex offenders sentenced under Chapter 709, Code of Iowa. The Governor is recommending statutory changes to implement this proposal.
5. ❖ An increase of \$878,000 and 17.5 FTE positions to staff and operate the Dubuque and Council Bluffs new residential beds.
6. ❖ A decrease of \$102,000 to offset the lease-purchase of the currently rented Davenport Work Release Center.

3. **Judicial Branch**

- A. An increase of \$2.4 million to restore the Judicial Branch budget to full funding of salaries and benefits from the FY 2001 salary shortfall.
- B. An increase of \$3.3 million and 11.0 FTE positions for computer technology staff and operating expenses for the Iowa Court Information System (ICIS) currently funded with Court Technology Fund money.
- C. An increase of \$785,000 and 26.2 FTE positions for Clerk of Court employees in Black Hawk, Clarke, Jasper, Muscatine, Lee, Wapello, Warren, Scott, Pottawattamie, and Polk counties to be allocated by a formula based on workload standards. This request also includes replacement equipment for the Clerk of Court Offices for the aforementioned counties.
- D. An increase of \$83,000 and 2.0 FTE positions for a Staff Attorney and secretary in the Court of Appeals to assist the three additional judges appropriated in FY 1998.
- E. An increase of \$927,000 and 9.0 FTE positions for two case coordinators in District 4, one court attendant for Districts 3, 4, 5, and 8, a financial aide for District 4, and a court reporter and an assistant district court administrator, a purchasing agent, a personal computer, a systems tester and integrator, and an image specialist.
- F. An increase of \$448,000 and 11.5 FTE positions for three additional juvenile court officers for District 3 and one additional juvenile court officer for District 2, 5, and 6. Also increases the funding for the Court Appointed Special Advocate (CASA) Program in Tama and Sioux City.
- G. An increase of \$7,000 for Juvenile Victim Restitution to cover program growth in District 3.
- H. An increase of \$81,000 for Judicial Retirement.



4. **Iowa Law Enforcement Academy** – No change compared to estimated FY 2001.
5. **Board of Parole** - An increase of \$25,000 to increase the board member per diem budget from 133 days to 166 days.

6. **Department of Public Defense**

- A. Military Division – An increase of \$4,600 and 1.0 FTE position to provide State match for an additional Senior Communications Technician to assist with the increased requirements of the Iowa National Guard. Ninety percent of the funding for this position is funded with federal funds totaling, \$41,000 in FY 2001.
- B. Military Division – An increase of 3.0 FTE positions to operate the new paint facility at the Sioux City Air Base. These positions are being funded out of the current funding level for FY 2001. The personnel costs for these 3.0 FTE positions are \$33,000 in State funding and \$98,000 in federal funding.
- C. Emergency Management Division – No change compared to estimated FY 2001.



7. **Department of Public Safety**

A. Administration

1. ❖ An increase of \$59,000 and 2.0 FTE positions to provide security for the law enforcement network as required by the National Crime Information Center. One of the FTE positions will be funded with grant money, and the other FTE position will be funded with General Fund dollars.
2. An increase of 1.0 FTE position to reduce the backlog in processing Private Investigative, Private Security, and Bail licensing applications. This position will be funded with fees that are estimated to be \$45,000.
3. ❖ An increase of \$5,000 to provide accelerated depreciation so that vehicles are replaced between 90,000 and 100,000 miles.

B. Iowa State Patrol

1. A transfer of \$1.4 million and 27.0 FTE positions for the Capitol Police Division to the State Patrol. See the Department of Public Safety Issue Section for further detail.



2. ❖ An increase of \$176,000 and 2.0 FTE positions for two additional State Troopers.
3. ❖ An increase of \$560,000 to provide accelerated depreciation so that vehicles are replaced between 90,000 and 100,000 miles.
4. A decrease of \$309,000 to transfer funds used to pay sick leave upon retirement into a separate fund within the Department of Public Safety budget.

C. Division of Criminal Investigation

1. An increase of 2.0 FTE positions to provide two special agents to prevent crimes against the elderly. These positions are estimated to be paid for through grants totaling \$180,000.
2. An increase of 3.0 FTE positions to provide three special agents to create a Cybercrime Unit in the Division of Criminal Investigation. These FTE positions are estimated to be paid for through grants totaling \$270,000.
3. ❖ An increase of \$114,000 and 2.0 FTE positions for one Administrative Assistant 2 and one Special Agent for the Sex Offender Registry Bureau.
4. An increase of \$94,000 and 2.0 FTE positions for increased enforcement coverage of gaming on riverboats. It is also recommended that Industry reimbursements be increased from 80.0% to 100.0%. 
5. ❖ An increase of \$77,000 and 2.0 FTE positions for two additional criminalists to reduce the turn-around time on all crime lab cases.
6. ❖ An increase of \$212,000 for accelerated depreciation so that vehicles are replaced between 90,000 and 100,000 miles.

D. Division of Narcotics Enforcement

1. ❖ An increase of \$594,000 and 6.0 FTE positions for additional special agents to expand the current efforts to reduce the supply of illegal drugs to the State of Iowa. 
2. ❖ An increase of 1.0 FTE position for additional support staff. The Governor is recommending that this position be funded from forfeiture funds collected by the Division of Narcotics.

3. ❖ An increase of \$120,000 for accelerated depreciation so that vehicles are replaced between 90,000 and 100,000 miles.
- E. Fire Marshal
1. An increase of 2.0 FTE positions to add Fire Inspectors for manufactures homes and assisted living facilities. These positions will be funded from fees that are estimated to be \$140,000.
  2. An increase of \$85,000 and 1.0 FTE position to provide a supervisor to the Building Code section of the Fire Marshal's Office. This position will be funded with fees collected by the Fire Marshal's Office that are deposited in the General Fund.
  3. An increase of \$40,000 and 1.0 FTE position to provide an accounting clerk to the Fire Marshal's Office. This position will be funded with fees collected by the Fire Marshal's Office that are deposited in the General Fund.
  4. ❖ An increase of \$103,000 for accelerated depreciation so that vehicles are replaced between 90,000 and 100,000 miles.
- F. Capitol Security - A decrease of \$1.4 million and 27.0 FTE positions to be transferred into the Iowa State Patrol.
- G. Automated Fingerprint Information System Maintenance – An increase of \$31,000 to provide parts, labor, and on-going maintenance for the central Automated Fingerprint Identification System (AFIS).
- H. Department of Public Safety/State Peace Officer's Council Sick Leave Payout – A transfer of \$309,000 for sick leave paid upon retirement from the Iowa State Patrol into a separate fund managed by the Department of Public Safety.
- I. Fire Fighter Training – No change compared to estimated FY 2001.
- J. ❖ Fire Service – An increase of \$104,000 and 3.0 FTE positions for additional staff to provide support for regional training coordinators to support the outreach efforts of Fire Service.
- K. ❖ Medical Injuries – Department of Public Safety Custody - An increase of \$3,000 per standing created in Code of Iowa, Chapter 804.28.
- L. Undercover Funds – No change compared to estimated FY 2001.



8. **Department of Inspections and Appeals** - An increase of \$1.7 million and 1.0 FTE position as follows:
- A. ❖ \$940,000 for the Indigent Defense Fund to pay for an estimated 5.0% increase in the number of claims and to annualize the FY 2000 \$5.00 hourly rate increase for contract attorneys.
  - B. \$764,000 for the State Public Defender's Office for increased costs of interpreters, expert witnesses, and deposition costs.
  - C. An increase of 1.0 FTE to convert a contract position to a State employee (Administrative Assistant for the Civil Commitment Unit).

### Issues

The Justice System Appropriations Subcommittee may wish to examine the following issues:

#### **Department of Justice**

- Legal Services Poverty Grant Program – This pass-through grant program was started with federal funds to help provide representation for individuals eligible for basic assistance in civil cases, such as housing disputes, domestic abuse cases, and loss of disability benefits. The General Assembly provided \$500,000 for FY 1998, \$600,000 for FY 1999, \$700,000 for FY 2000 and \$700,000 for FY 2001. For FY 2002, the Department is requesting *and the Governor is recommending* \$950,000, an increase of 35.7%. The Subcommittee may wish to review alternative funding sources for this program.
- Increase in Appellate Division Caseload – The Department of Justice is responsible for prosecuting and defending all criminal cases in appellate courts. From FY 1999 to FY 2000, oral arguments before the revamped Court of Appeals have increased by 78.8% (from 80 oral arguments in FY 1999 to 143 oral arguments in FY 2000). The Attorney General is requesting \$62,000 and 1.0 FTE position for an attorney to handle the increased caseload. *The Governor is not recommending funding for this request.*

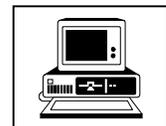
#### **Department of Corrections**

- Prison Population Growth – The Iowa prison population is projected to reach 12,400 inmates by FY 2010, if current correctional policies and laws remain in place. If the inmate population reaches 12,400, five new 750-bed prisons will need to be built at a cost of \$45.0 million for each



prison. Each prison will incur annual operating costs of approximately \$25.0 million. The Subcommittee may want to examine alternatives to building new prisons.

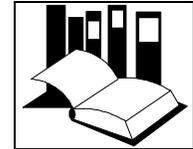
- Progress on Specialized Expansions – The Subcommittee may want an update on the progress for the special needs unit at Ft. Madison, the medical unit expansion at Oakdale, the 30-bed addition at the Dubuque Residential Facility, and the 25-bed women’s facility in Council Bluffs. The last project was down-sized from 50 beds. The Subcommittee may also want to discuss with the Department any future expansions of prisons or residential facilities. *The Governor is recommending an increase of \$255,000 and 18.9 FTE positions to open residential beds in Dubuque and Council Bluffs and annualize four staff plus provide utilities for the Special Needs Unit at Fort Madison. The Governor is recommending that full staffing and operating costs for the Special Needs Unit occur in FY 2003. The DOC estimates those costs to be \$6.1 million and 114.0 FTE positions.*
- Probation/Parole Officers – The CBC Offender populations continue to grow and could increase from 26,900 in FY 2000 to between 39,600 and 46,600 offenders by FY 2010. The CBC District Departments have taken steps to reduce probation revocations to prison over the past year. Residential facility bed-space has been reallocated to accommodate approximately 300 more beds, and 55 beds are being added through new construction. The CBC District Departments received funding for additional probation/parole officers in FY 2000 and FY 2001 and are requesting \$715,000 for 15.0 FTE positions for more probation/parole officer in FY 2002. *The Governor is not recommending funding for this request.* The Subcommittee may want to review these trends toward greater utilization of Community-Based Corrections.
- Salary Issues – The CBC District Departments have delayed filling the new probation and parole officer positions that were authorized for FY 2001 due to salary shortages. However, four of the eight CBC District Department boards approved additional retirement benefits (converting sick leave hourly balance to pay the partial cost of health insurance upon retirement) for exempt staff, which increases salary costs. The Subcommittee may wish to review this issue.
- Data Management – The Department of Corrections received funding to implement the Iowa Corrections Offender Network (ICON) in FY 2000 and FY 2001. The Department implemented the new ICON system in August 2000 in CBC. The Subcommittee may want to review the progress made by the Department. *The Governor is recommending \$251,000 and 2.5 FTE positions to continue implementation of the system in the Institutions.*



- Inmate Labor – Beginning in FY 2001, amounts that would have been paid for room and board by prison inmates with earnings from private sector employment will be deposited in the General Fund. The Subcommittee may want to examine the inmate employment situation, particularly in light of the current labor shortage. The Subcommittee may also want to inquire into the effectiveness of inmate employment for rehabilitation and reduction of recidivism.



- Prison Education – Literacy is a significant problem among the inmate population, and the Department has focused educational resources on literacy for the past several years. Research suggests inmate education increases employability of released inmates and reduces recidivism. Much of the vocational education is provided in conjunction with Prison Industries. The effectiveness of this arrangement needs to be examined.



- Mandatory Parole for Sex Offenders – The Department is advocating mandatory two-year supervision for all inmates convicted of sexual abuse (Chapter 709, Code of Iowa). The CBC District Departments are requesting \$576,000 for 12.0 FTE positions for this proposal. *The Governor is recommending \$504,000 and 12.0 FTE positions for this proposal.*
- Ft. Madison Medical Services – The Department discontinued the contract with a private sector company for medical services at Ft. Madison. The Subcommittee may want to review the process of converting contract staff to State employees.
- Telephone Rebate Funds – The Department uses a pay phone system for inmates to make personal calls. The recipient pays for the charges. The Code of Iowa requires the proceeds to be used to benefit the inmates. Revenues have been steadily decreasing while expenditures have been increasing. The Subcommittee may wish to review the administration of this Fund. *The Governor is recommending certain statutory changes to this Fund.*
- Mental Health – The Department is working with the University of Iowa School of Medicine and the Iowa Consortium of Mental Health Board to review the present Corrections mental health system, determine the needs of that system, and seek resources to address the mental health needs of inmates. The Board of Corrections approved a motion that DOC staff should continue planning a mental health delivery system at its November meeting. The Subcommittee may wish to review this issue with the Department.

## Judicial Department

- Salary Shortfall– There was a salary shortage across State government during FY 2001, primarily due to the health insurance costs exceeding projected increased costs. The shortfall of approximately \$22.8 million for State government; the Judicial Branch's share is approximately \$2.4 million. *The Governor is recommending increased funding of \$2.4 million for the salary shortfall in the Judicial Branch.*

## Department of Public Defense



- Expansion of Facilities for the Military Division – The Military Division continues to be successful in attracting federal funding for facility expansions. With the expansions, there comes an obligation for the State to provide a portion of the funding to maintain the facilities.

## Department of Public Safety

- Gaming Enforcement Officers – The Department requested that 2.0 FTE positions and \$94,000 be added to Gaming Enforcement. The additional two officers would rotate between the ten gambling boats to monitor casino gaming. The funding would be offset by 100% industry reimbursement. *The Governor is recommending \$94,000 and 2.0 FTE positions for additional Gaming Enforcement Officers. The Governor is also recommending that the industry reimbursement be increased from 80% to 100%.*



- Sex Offender Registry – The Code of Iowa requires registration with the Department of Public Safety by specified sex offenders. In addition, the Department must be notified of any address changes for ten years after registration. The Department is requesting additional resources to do risk assessments on registrants and to track individuals who fail to notify authorities when changing their address. *The Governor is recommending an increase of \$114,000 and 2.0 FTE positions for an Administrative Assistant 2 and one Special Agent for the Sex Offender Registry Bureau.*



- State Patrol – The Capitol Police Division was merged with the Iowa State Patrol as District 16 on November 16, 2000 by action of the Commissioner. The Capitol Police Division has 27.0 FTE positions and \$1.4 million that will be included in the State Patrol budget for FY 2002. *The Governor is recommending that the Capitol Police Division be transferred to the Iowa State Patrol.*

- Fuel Shortage – The Department of Public Safety is requesting an increase in funding for fuel from \$1.00 to \$1.25 per gallon. The total FY 2002 budget request for fuel is \$291,000. *The Governor is not recommending funding increases for the fuel budget.*
- Vehicle Depreciation – The Department of Public Safety is requesting an increase in funding for vehicles depreciation. The total FY 2002 budget request for depreciation is \$2.5 million. *The Governor is recommending an increase of \$1.0 million in funding to the Department of Public Safety for vehicle depreciation.*

### **Public Defender and Indigent Defense Program**

- Caseloads – The caseloads need to be reviewed to determine the adequacy of staffing and funding.
- Attorney Fees – In FY 2000, the General Assembly provided for a \$5 per hour increase for court-appointed and contract attorneys paid through the Indigent Defense Fund. For FY 2001, the General Assembly provided an additional \$803,000 for indigent defense. For FY 2002, the Department is requesting \$1.5 million due to increased claims and to annualize the \$5 per hour reimbursement rate increase. *The Governor is recommending an increase of \$940,000 for the Indigent Defense Fund for an estimated 5.0% growth in claims and to annualize the FY 2000 \$5.00 per hour rate increase for contract attorneys. The Governor is also recommending an increase of \$764,000 for the State Public Defender's Office due to increased costs for expert witnesses, depositions, and interpreters.* The Subcommittee may wish to review options for cost containment for this court-appointed counsel program.

### **Issue Reviews**

The LFB completed four ***Issue Reviews*** during the 2000 legislative interim dealing with:



- Court-appointed counsel.
- Sex Offender Registry.
- An update on Judicial salaries.
- An update on the Judicial Branch organization, funding, and staffing trend summary.

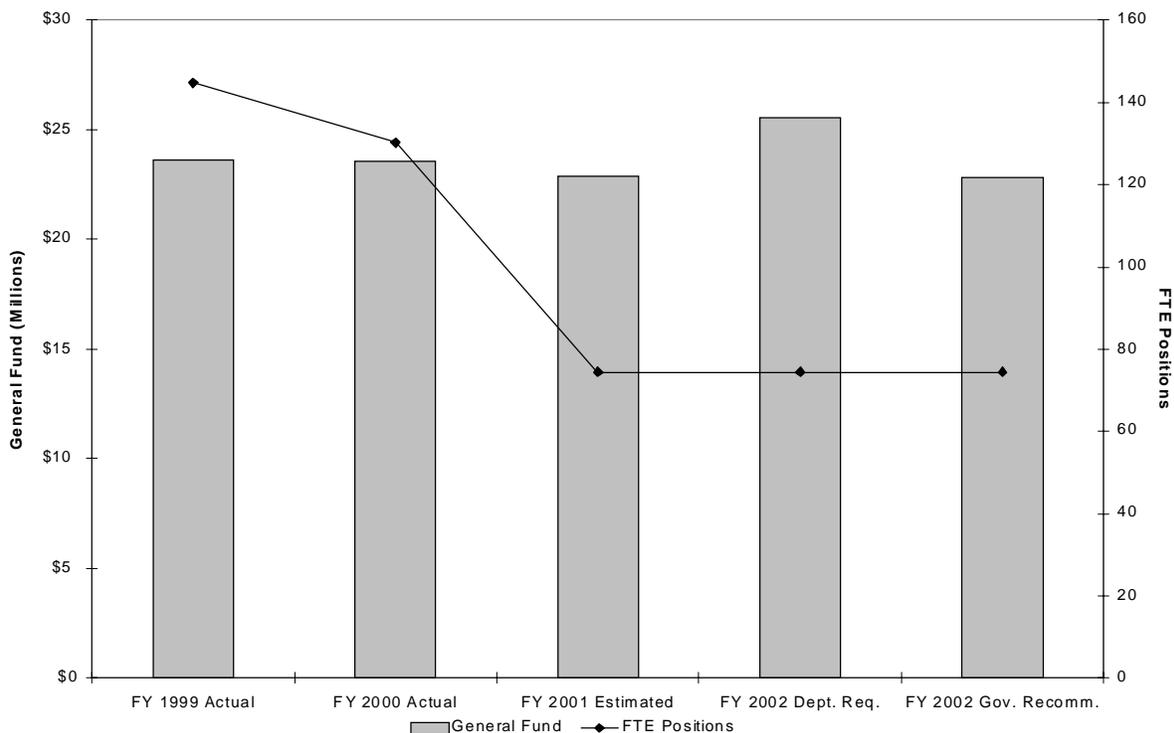
Copies of the ***Issue Reviews*** are available from the LFB.

# OVERSIGHT AND COMMUNICATIONS APPROPRIATIONS SUBCOMMITTEE

## FY 2002 GOVERNOR'S RECOMMENDATIONS

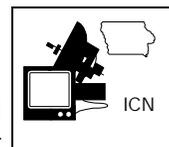
The Governor is recommending \$22.8 million from the General Fund and 74.5 FTE positions, a decrease of \$55,000 (0.2%) and no change in FTE positions compared to estimated FY 2001. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of the General Fund appropriations and FTE positions.

**Oversight and Communications Appropriations Subcommittee**



### Significant General Fund Changes Recommended

- Iowa Telecommunications and Technology Commission** – The Governor is recommending an increase of \$35,000 (1.1%) and 1.0 new FTE positions compared to estimated FY 2001. This is a transfer of funding and 1.0 FTE position from Iowa Public Television to the Commission for



activities related to scheduling Iowa Communications Network (ICN) video classrooms. The majority of the FTEs for the Commission are funded through a revolving fund and therefore not reflected in the Legislative Fiscal Bureau's (LFB) tracking spreadsheets at the end of this document.

2. **Iowa Public Television (IPTV)** – The Governor is recommending a decrease of \$35,000 (1.6%) and 1.0 (11.1%) FTE position compared to estimated FY 2001, to transfer funding and 1.0 FTE positions to the Iowa Telecommunications and Technology Commission for activities related to scheduling ICN video classrooms.
3. **Information Technology Department (ITD)** – The Information Technology Department was created by the General Assembly during the 1999 Legislative Session. The Governor is recommending no change in funding or FTE positions compared to estimated FY 2001. The majority of the FTEs for the Department are funded through a revolving fund and therefore not reflected in the Legislative Fiscal Bureau's (LFB) tracking spreadsheets at the end of this document.
4. **Treasurer of State** – The Governor is recommending a decrease of \$55,000 (0.1%) compared to estimated FY 2001 for network debt service. These funds are appropriated to the Treasurer of State and transferred to the ICN when payment is due.

### Significant Other Fund Recommendations

The Governor is recommending \$21.2 million from the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2001 for the entities funded through the Subcommittee. The recommendation includes:

- A. ❖ \$2.7 million to the Iowa Telecommunications and Technology Commission for the annual lease and maintenance of Part III connections.
- B. ❖ \$18.5 million for the Pooled Technology Fund which may include \$2.0 million for continuation of the 21<sup>st</sup> Century Learning Infrastructure Initiative at the University of Northern Iowa. A goal of the Initiative is to identify and implement the best technology available in Iowa's educational systems.



The Governor is recommending the use of \$71.3 in long-term financing authority for the following:

- A. ❖ \$23.5 million for the federally required changes at Iowa Public Television for additional broadcast towers and related equipment for the continued conversion to a digital broadcast format. All public

television stations must be converted by 2003 and will simulcast in the new digital and the current analog format until 2007.

- B. ❖ \$37.3 million for the improvement of the State's internal computing systems to allow citizens to complete necessary transactions with the State electronically by 2003.
- C. ❖ \$10.5 million for the completion of the conversion of the ICN to ATM and MPEG 2 technologies to improve Network performance and provide redundancy.

## Issues

The Oversight and Communications Appropriations Subcommittee may wish to examine the following issues:

- The structure and operation of the new Information Technology Department and the changes made in operations of lowAccess including:
  - What types of agreements have been established between the new Department and other State agencies to foster clear communication and cooperation?
  - Does the structure of the new Department meet the legislative requirements and intent as provided in SF 2395 (Information Technology Department Act) and SF 2433 (FY 2001 Oversight and Communications Appropriations Act)?
  - Have the required boards and councils been established?
- Implementation of the second phase of the transition of the ICN to a ring typology utilizing Asynchronous Transfer Mode (ATM) and MPEG 2 technology.
- Continued subsidization of video usage for educational users and cross subsidization of video usage for other users by higher than required fees for data and voice services.
- Status of the State's appeal of the Federal Communications Commission's (FCC) ruling that the ICN is not a common carrier and therefore educational, library, and rural telemedicine users of ICN phone and video services do not qualify for reimbursements from the Universal Services Fund.
- Utilization by Executive Branch departments of funds appropriated for technology projects in the past two years and the appropriate funding mechanism for projects in FY 2002. *The Governor is recommending a dedicated information technology funding stream from the Rebuild Iowa Infrastructure Fund for these types of projects and is recommending \$18.5 million in funding for FY 2002.*

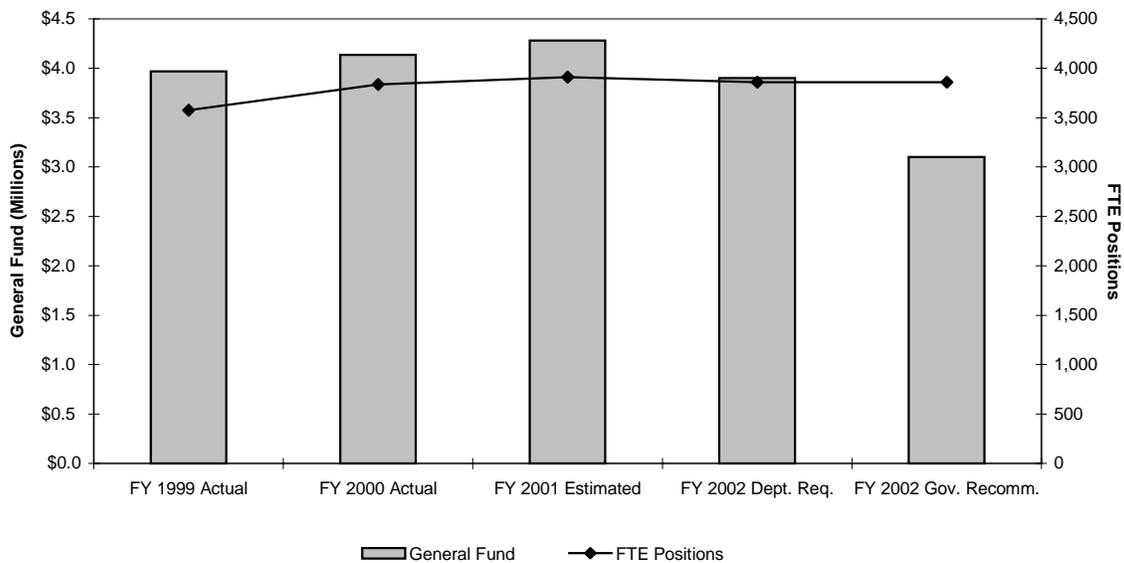
- *The Governor is recommending \$2.0 million in FY 2002 for continuing the 21<sup>st</sup> Century Learning Infrastructure Initiative at the University of Northern Iowa. In FY 2001, the Subcommittee provided \$1.0 million from the Pooled Technology Account for this Initiative.*
- *The Governor is recommending the use of long-term financing for the following:*
  - *The federally mandated costs of implementing high density signal transmission (HDTV) for Iowa Public Television.*
  - *The costs of the first phase of implementing the enterprise resource planning project effort that will allow the various computer systems and department data bases to share data and improve efficiency and effectiveness of those systems.*
  - *The conversion of the ICN to ATM and MPEG 2 technologies.*
- *The Governor is recommending \$2.0 million from the General Fund for the Department of Management to begin reducing the level of overcharging the federal government for costs related to information technology services. The funds will be allocated to departments that currently are exempt from paying their actual costs and will cover approximately one-third of the amount they would be paying if fully covering the costs they incur. For the past several years, the federal government has been performing special audits of the cost billed to them for services and has required the State to repay the amounts in excess of what would be charged if exempt departments paid their share. It is hoped by beginning to reduce the level of over billing, the federal government will not assess penalties against the State.*

# TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE

## FY 2002 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$3.1 million from the General Fund for the Transportation, Infrastructure, and Capitals Appropriations Subcommittee for FY 2002. This is a decrease of \$2,000 (0.1%) compared to estimated FY 2001. Unless otherwise indicated, all increases or decreases are compared to estimated FY 2001. A new concept of funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding request, is preceded by the symbol, ❖. The following graph illustrates the history of the General Fund appropriations and FTE positions.

**Transportation, Infrastructure & Capitals Appropriations Subcommittee**



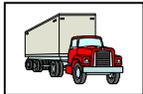
## DEPARTMENT OF TRANSPORTATION

The Governor is recommending \$276.5 million and 3,859.0 FTE positions for the Department of Transportation (DOT) for FY 2002. This is an increase of \$7.4 million (2.8%) and no change in FTE positions compared to estimated FY 2001.

Of the \$276.5 million, \$3.1 million is being requested from the General Fund, a decrease of \$2,443 (0.1%), and \$273.4 million is from other funding sources. The \$273.4 million is unchanged compared to FY 2001.

## Significant Other Fund Changes Requested

The following changes include requests from the Primary Road Fund and Road Use Tax Fund:

1. An increase of \$318,000 to fund an 8.0% increase in equipment and software maintenance agreements. 
2. An increase of \$47,000 for a 3.0% inflationary increase on existing leases.
3. An increase of \$67,000 for a projected 2.0% increase in telecommunication costs.
4. An increase of \$105,000 for the expansion of the Local Area Network computer system.
5. An increase of \$54,000 for maintenance and service contracts on new equipment.
6. An increase of \$136,000 to fully fund the overhead costs of the Information Technology Department.
7. An increase of \$64,000 for maintenance and support of the Electronic Records Management System.
8. An increase of \$43,000 for increased lease costs for two drivers' license stations and an engineering office.
9. An increase of \$1.8 million to fund an increase in the cost of fuel for the Highway and Motor Vehicle divisions. 
10. An increase of \$175,000 for salt transportation costs.
11. An increase of \$30,000 for fees charged by Iowa State University for testing fly ash and rock for the Office of Materials.
12. An increase of \$36,000 for the increased cost of winter operations information services, including the weather forecast contract, Road Weather Information Services (RWIS), and site-specific weather forecasts for maintenance garages and rest areas.
13. An increase of \$141,000 for increased postage costs.
14. An increase of \$420,000 for increased workers' compensation claims.

15. An increase of \$48,000 for a projected increase in reimbursements to the State Auditor's Office.
16. An increase of \$100,000 for a projected increase in indirect cost reimbursements to the General Fund.
17. An increase of \$1.9 million for increased usage of the Digitized Imaging Systems in the issuance of drivers' licenses.
18. An increase of \$300,000 to conduct a site utilization study of the DOT Complex in Ames. The study will address the loss of parking and three office buildings that will occur when the city of Ames implements improvements to Lincoln Way and Grand Avenues. This is a new request for FY 2002.
19. An increase of \$1.0 million to fund facility improvements at DOT facilities throughout the State. This is a new request for FY 2002.
20. An increase of \$700,000 to fund studies of the DOT's Motor Vehicle Weight Enforcement Program and field maintenance services. The studies will review service delivery levels and program efficiencies and will identify the physical infrastructure necessary to implement the programs effectively. This is a new request for FY 2002.

### Issues

The Transportation, Capitals, and Infrastructure Appropriations Subcommittee may wish to examine the following issues pertaining to the DOT's budget request:

- Review the effects of the increasing sale of ethanol to the Road Use Tax Fund. In August and September of 2000, the amount of ethanol purchased in Iowa has exceeded sales of regular gasoline for the first time. As the market share of ethanol increases, the amount of fuel tax receipts deposited into the Road Use Tax Fund will decrease due to ethanol being taxed one cent less than regular gasoline.

In FY 2000, the market share of ethanol increased approximately 3.0% (compared to FY 1999, making the total market share 45.3%). This resulted in an estimated decrease of \$435,000 to the Road Use Tax Fund. Currently, the market share of ethanol is above 50.0%. If the market share of ethanol remains above 50.0% for the remainder of FY 2001, fuel tax receipts will decline by an estimated \$1.1 million. *The Governor is recommending the adoption of an Iowa Fuel Quality Standard that includes a preference for the utilization of ethanol.*

- The DOT has undergone an internal reorganization which decreases the number of operating appropriations from six to five. The Subcommittee may wish to review how the reorganization will improve service delivery to the public and achieve operating efficiencies.
- The DOT is requesting an increase to two Road Use Tax Fund standing appropriations for FY 2002. The appropriations include:
  - County Treasurer's Equipment Replacement – An increase of \$350,000 (from \$650,000 to \$1.0 million) for replacing equipment located in county treasurers' offices and used for driver's license issuance, and vehicle registration and titling purposes. *The Governor is recommending this increase.*
  - Highway Traffic Safety Program – An increase in the Highway Traffic Safety Program allocation from 0.5% to 1.0% of the total Road Use Tax Fund revenues. This will amount to an estimated increase of \$4.0 million. The Highway Traffic Safety Program is used to fund traffic improvement projects and studies on public roads under county, city, or state jurisdiction.
- Review the impact of high fuel prices on the DOT's FY 2001 budget. It is estimated that the DOT may experience a budget shortfall due to the unanticipated increase in fuel prices.
- *Review Governor's proposal to promote the Adopt-A-Highway program in Iowa.*
- The DOT states they do not have available funding to maintain state road systems. A state report issued last year said that \$12.58 billion is needed for state highway construction and repair projects through 2017, but only \$11.47 billion is expected to be available. As a result, the DOT wants to decrease the size of the state's primary road system by offering cities and counties ownership of more than 800 miles of state routes. The Subcommittee may wish to review this issue.
- *Review the Governor's proposal that the deposit of the \$5 motor vehicle title surcharge to the Waste Tire Management Fund be returned to the General Fund rather than to the Road Use Tax Fund. This deposit results in an increase in General Fund revenues for the following fiscal years: \$1.0 million for FY 2001 and \$3.0 for FY 2002.*

## FY 2002 CAPITAL PROJECT RECOMMENDATIONS

The Governor is recommending a total of \$149.8 million for capital projects. This includes \$145.3 million from the Rebuild Iowa Infrastructure Fund and \$4.5 million from the Primary Road Fund. The following table shows the total funds being recommended by source and agency. The spreadsheet following this section is a more detailed summary of the Governor's recommendations for capital projects by source and project.

### Summary of Governor's Recommendations FY 2002 Capital Projects

Agency/Fund	Rebuild Iowa Infrastructure Fund						Total
	Enacted Approp.	Recomm. Deapprop.	New Recomm.	Environ. First Fund*	RIIF Total	Primary Road Fund	
Ag & Land Stewardship	\$ 0	\$ 0	\$ 5.5	\$ 9.6	\$ 15.1	\$ 0.0	\$ 15.1
Corrections			7.2		7.2		7.2
Cultural Affairs			2.3		2.3		2.3
Economic Development	13.5		12.2	1.5	27.2		27.2
Education			7.0		7.0		7.0
General Services			23.4		23.4		23.4
Information Technology			18.5		18.5		18.5
Judicial Branch	10.3		0.0		10.3		10.3
Natural Resources			1.0	24.0	25.0		25.0
Public Defense			1.1		1.1		1.1
Regents	15.6	-15.6	0.0		0.0		0.0
Telecom. & Tech. Comm.			2.7		2.7		2.7
Treasurer of State			1.1		1.1		1.1
Transportation			4.5		4.5	4.5	9.0
<b>Total</b>	<u>\$ 39.4</u>	<u>\$ -15.6</u>	<u>\$ 86.5</u>	<u>\$ 35.0</u>	<u>\$ 145.3</u>	<u>\$ 4.5</u>	<u>\$ 149.8</u>

Note: Totals may not add due to rounding

\* The Environment First Fund receives a standing appropriation of \$35.0 million from the RIIF. For the purpose of showing the appropriations by agency, the Environment First Fund has been listed separately on this table.

The Rebuild Iowa Infrastructure Fund recommendation of \$145.3 million includes \$39.4 million appropriated in prior Legislative Sessions, the deappropriation of \$15.6 million, new funding from the RIIF totaling \$86.5 million, and \$35.0 million from the Environment First Fund. The significant funding recommendations are discussed below.

### Significant Capital Project Recommendations

#### Rebuild Iowa Infrastructure Fund

1. **Department of Agriculture and Land Stewardship** - ❖\$5.5 million to fund the Soil Conservation Cost Share Program. The Governor is also recommending an

additional appropriation of \$1.5 million from the Environment First Fund for the Program.

**2. Department of Corrections**

- A. ❖ \$6.4 million for continued funding of the 200-bed Special Needs Unit at the Iowa State Penitentiary in Fort Madison. The total cost of the project is estimated to be \$25.0 million. The General Assembly appropriated a total of \$9.5 million in both FY 1999 and FY 2001 for the expansion project.
- B. ❖ \$333,000 to upgrade the electrical system for the Fort Madison Special Needs Facility.
- C. ❖ \$100,000 for demolition and removal of a water tower at the Iowa Medical Classification Center in Oakdale.
- D. \$364,000 for costs associated with the upgrade of the city of Mitchellville water facility to increase capacity due to increased inmate population at the Iowa Correctional Institution for Women.

**3. Department of Cultural Affairs**

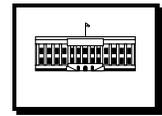
- A. ❖ \$2.0 million for continued funding of the Historical Preservation Grant Program. The recommendation includes \$120,000 for stabilization of the Iowa Battle Flags collection in the State Capitol Building.
- B. ❖ \$250,000 for the preservation of Iowa's historical collections.

**4. Department of Economic Development**

- A. \$12.5 million for the Community Attraction and Tourism Development Fund. This Fund is used to assist communities in the development of multiple purpose attraction and tourism facilities. These funds were appropriated in HF 2453 (FY 2001 Infrastructure Appropriations Act).
- B. \$2.0 million for continued funding for the Physical Infrastructure Financial Assistance Program.
- C. \$4.0 million for continued funding of the Advanced Research and Commercialization Program. The Program is used for providing grants, loans, or forgivable loans for advanced research and commercialization projects involving value-added agriculture, advanced technology, or biotechnology.
- D. ❖ \$2.2 million for the Local Housing Assistance Program. Of this, \$1.0 million was appropriated for FY 2002 in HF 732 (FY 1998 Housing Development Act).

5. **Department of Education**

- A. ❖ \$2.0 million to fund a Learning Technology Infrastructure Program to incorporate: storage of educational text, video, audio, and other data; for production of digital and analog educational data; to develop conferencing through any type of interaction; and for the distribution of educational data through multiple media.
- B. \$3.0 million for continued funding of the Community College Vocational-Technical Technology Improvement Program. The 1997 General Assembly created the Program in HF 733 (FY 1998 Infrastructure and Capitals Appropriation Act) and appropriated \$3.0 million per year for four years beginning in FY 1998 and ending FY 2001.
- C. \$500,000 to fund the Enrich Iowa Program which would provide direct State aid to public libraries.
- D. ❖ \$1.5 million to fund various technological projects to ensure telecommunication and electronic services are provided to all areas of the State.



6. **Department of General Services**

- A. ❖ \$15.0 million for major maintenance improvements to State facilities located throughout Iowa which are under the purview of the Department of General Services.
- B. ❖ \$2.5 million for costs associated with routine maintenance of State facilities located throughout the State.
- C. \$1.6 million for moving and relocation expenses associated with the relocation of State employees on the Capitol Complex.
- D. \$1.7 million for continued interior restoration of the State Capitol Building. The funds would complete the renovation and restoration of the Senate and House Chambers.
- E. ❖ \$1.0 million for the relocation of records located within the Records and Property Building.
- F. \$1.2 million for renovation of the Records and Property Building to convert warehouse space into office space.
- G. ❖ \$400,000 to purchase and demolish property that may become available north of the Capitol Complex to meet the space needs of State government.



7. **Information Technology** - ❖\$18.5 million to establish a dedicated funding source for Iowa's information technology.
8. **Judicial Branch** - \$10.3 million for costs associated with the construction of a new judicial building located on the Capitol Complex. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).
9. **Department of Natural Resources** - ❖\$1.0 million for the creation of a destination park that would provide expanded facilities and recreation opportunities to encourage visitors to plan vacations, meetings, and other types of gatherings.
10. **Department of Public Defense**
  - A. ❖\$700,000 for maintenance and renovation projects at National Guard facilities.
  - B. ❖\$400,000 for the construction of a new Readiness Center in Estherville for support of National Guard training. This represents the first year of a multi-year funding proposal estimated to cost \$1.3 million.
11. **Board of Regents**
  - A. ❖The Governor is recommending the deappropriation of \$2.5 million for improvements to Gilman Hall at Iowa State University. These funds were appropriated in SF 2453 (FY 2001 Infrastructure Appropriations Act). The Governor is recommending replacing these funds with bonding authority.
  - B. ❖The Governor is recommending the deappropriation of \$7.3 million for continued renovation of the Biological Sciences Facility at the University of Iowa. These funds were appropriated in SF 2453 (FY 2001 Infrastructure Appropriations Act). The Governor is recommending replacing these funds with bonding authority.
  - C. ❖The Governor is recommending the deappropriation of \$5.8 million for continued funding of the construction of a 70,000 square foot addition to McCollum Science Hall at the University of Northern Iowa. These funds were appropriated in SF 2453 (FY 2001 Infrastructure Appropriations Act). The Governor is recommending replacing these funds with bonding authority.
12. **Iowa Telecommunications and Technology Commission** - \$2.7 million to pay the costs of maintenance and leases associated with the build-out of Part III of the Iowa Communications Network. In prior years this appropriation has been funded through the Oversight Appropriations Subcommittee Bill.

13. **Treasurer of State** - ❖\$1.1 million for continued funding for infrastructure improvements of county fairs.
14. **Department of Transportation**
  - A. ❖\$2.0 million for continued funding of the Recreational Trails Program.
  - B. \$1.0 million for continued funding of the Commercial Service Airport Program. The funds are allocated to Iowa's ten commercial service airports for vertical infrastructure improvements.
  - C. \$500,000 for continued funding of the Aviation Hangar Revolving Loan Fund. The funds are deposited into the Revolving Loan Fund for the construction of or improvements to hangars at general aviation airports.
  - D. ❖\$1.0 million to establish a new Aviation Grant Program to fund improvements at Iowa's publicly owned airports.

## **Environment First Fund**

1. **Department of Agriculture and Land Stewardship**
  - A. ❖\$850,000 for continued funding of the Nutrient Management Program to demonstrate the effectiveness of emerging agricultural systems for nutrient and pesticide management, air quality, and soil and water protection.
  - B. \$2.7 million for the Iowa Watershed Protection Program for project implementation, funding for development grants, and personnel to administer the Program. The Program is designed to accelerate the watershed protection efforts through water quality protection, flood control, and reduced soil erosion.
  - C. ❖\$500,000 for the closure of agricultural drainage wells and to construct alternative drainage systems on agricultural land.
  - D. ❖\$1.5 million to fund the Soil Conservation Cost Share Program. The Governor is also recommending a \$5.5 million appropriation from the RIIF for this Program.
  - E. \$1.5 million for continued funding of the Conservation Reserve Program (CRP). The Program is designed to establish vegetative buffers, field borders, and wetlands on Iowa's private land in an effort to improve water quality and wildlife habitat.
  - F. \$1.5 million for continued funding of the Conservation Reserve Enhancement Program (CREP). The Program is designed to protect

floodplains and improve water quality from agricultural drainage systems.

2. **The Department of Natural Resources**

- A. ❖ \$12.5 million for funding of the Resource Enhancement and Protection (REAP) Fund. The REAP Fund received an appropriation of \$10.5 million in FY 2001.
- B. \$3.0 million for expansion of the Water Quality Monitoring Program. This program was appropriated \$2.0 million in FY 2001.
- C. \$125,000 to complete natural resources inventories and protection plans to identify and safeguard unique landforms and ecosystems.
- D. \$130,000 for expansion of the Keepers of the Land Volunteer Program which is used to support local volunteer management efforts in water quality programs. This program was appropriated \$70,000 in FY 2001.
- E. \$250,000 for continued funding to assist Department staff with the review of national pollution discharger elimination system permits.
- F. \$195,000 for continued funding to provide geographic information system data for use in developing, monitoring, and displaying results of watershed work.
- G. \$200,000 for continued funding for the enhancement of floodplain protection and dam inspection through an education program to assist local officials with decision-making on floodplain management issues.
- H. \$500,000 for continued funding for the dredging of lakes in accordance with the Department's classification of Iowa Lakes Restoration Report.
- I. \$500,000 for continued funding of the Waste Tire Abatement Program.
- J. \$3.0 million for continued funding of the Recreational Grant Program.
- K. \$2.3 million for continued funding for capital projects which qualify for funding from Marine Fuel Tax receipts.

3. **Department of Economic Development** - ❖ \$1.5 million for continued funding of the Brownfield Redevelopment Program established in HF 2423 (Brownfield Redevelopment Program Act). This program was appropriated \$3.0 million in FY 2001.

## Primary Road Fund

### Department of Transportation

- A. \$1.0 million for construction of salt storage facilities to increase storage capacity.
- B. \$1.9 million for various improvement projects at the DOT Complex in Ames and for the construction of a communications building on the Ames Complex.
- C. \$400,000 for continued funding of waste water treatment improvements at maintenance garages.
- D. \$400,000 for continued funding to replace maintenance garage roofs.
- E. \$200,000 for continued funding for improvements to DOT facilities to meet Americans with Disabilities Act requirements.
- F. \$320,000 for construction of an addition to the regional materials testing laboratory in Cedar Rapids.
- G. \$350,000 for the replacement of exhaust systems at DOT field maintenance facilities.

### Issues

The Transportation, Capitals, and Infrastructure Appropriations Subcommittee may wish to examine the following issues pertaining to capital projects.

- *Review the Governor's recommendation to issue bonds for the construction of a laboratory facility for use by the State Medical Examiner, Division of Criminal Investigation, and the Department of Agriculture Hygienic Lab. The facility is estimated to cost \$63.8 million.*
- *Review the Governor's recommendation to deappropriate \$5.2 million in funding for the construction of a 170-bed facility at the Iowa Medical Classification Center at Oakdale. The funds were appropriated to construct a new facility to treat offenders requiring continued medical and mental health care and to provide beds for violent sexual predators.*
- *Review the Governor's recommendation to transfer \$10.0 million from the Motor Vehicle Use Tax to the Rebuild Iowa Infrastructure Fund.*
- *Review the Governor's recommendation to establish an ongoing funding stream through the Rebuild Iowa Infrastructure Fund for technology initiatives. The Governor is recommending an appropriation of \$18.5 million in FY 2002 for technology projects.*

- *Review the Governor's recommendation to provide the Board of Regents the authority to issue Academic Revenue Bonds for renovation and construction of facilities at the three universities. The recommendations for bonding include:*
  - *\$2.5 million for improvements to Gilman Hall at Iowa State University. These funds were appropriated in SF 2453 (FY 2001 Infrastructure Appropriations Act). The Governor is recommending deappropriating these funds and replacing them with bonding authority.*
  - *\$7.3 million for continued renovation of the Biological Sciences Facility at the University of Iowa. These funds were appropriated in SF 2453 (FY 2001 Infrastructure Appropriations Act). The Governor is recommending deappropriating these funds and replacing them with bonding authority.*
  - *\$5.8 million for continued funding of the construction of a 70,000 square foot addition to McCollum Science Hall at the University of Northern Iowa. These funds were appropriated in SF 2453 (FY 2001 Infrastructure Appropriations Act). The Governor is recommending deappropriating these funds and replacing them with bonding authority.*
  - *\$10.9 million for the construction of a building to house the College of Business at Iowa State University. The University has received a gift of \$11.5 million in support of the new facility.*
  - *\$16.0 million for Phase I of the expansion of the Art Building at the University of Iowa. The total cost of this project is estimated to be \$28.8 million.*
  - *\$12.7 million for replacement of the steam distribution system at the University of Northern Iowa.*
- Review of the most recent plans to relocate employees on the Capitol Complex due to the elimination of office space as a result of interior restoration of the Capitol Building as well as planned renovations of other State office buildings.
- Review of Department of General Services' cost estimates to complete the renovation of facilities located on the Capitol Complex.
- Examine the need for continued funding for upgrades to the infrastructure assessment database in the Department of General Services. The database identifies needed repairs to State facilities which are under the purview of the Department. The initial assessment was completed in FY 2000 at a cost of \$1.4 million.
- The LFB has published an ***Issue Review*** titled "Department of General Services Project Management Services" which examines the project management

services that are provided for infrastructure and facility maintenance projects. The Issue Review examines the changes in funding for project management services since FY 1996 and identifies alternatives for the Legislature to consider during the 2001 Legislative Session. For additional information regarding this *Issue Review*, please contact Dave Reynolds at (515) 281-6934.

- The LFB has published an *Issue Review* titled “Vertical Infrastructure Definition” which examines the differences in interpretations of the statutory definition of vertical infrastructure. This issue has raised concerns among legislators regarding the appropriate use of Rebuild Iowa Infrastructure Fund money. For additional information regarding this *Issue Review*, please contact Dave Reynolds at (515) 281-6934.
- The LFB has published a report identifying the total indebtedness of State agencies and State authorities. According to the report, the State has incurred \$2.335 billion in total debt as of June 30, 2000. Of the total State debt, \$354.3 million (15.2%) is considered a liability of the State. Debt which constitutes a liability of the State includes debt in which the annual debt payments are paid from funds appropriated by the General Assembly. All other debt is backed by an independent revenue source and separate from the State’s general tax revenues. For additional information regarding this report, please contact Dave Reynolds at (515) 281-6934.

**Governor's Recommendations  
FY 2002 Capital Projects**

State Agency	Rebuild Iowa Infrastructure Fund					Primary Road Fund	Total
	Enacted Appropriations	Recomm. Deapprop.	New RIF Recomm.	Environment First Fund	RIF Total		
<b>Agriculture and Land Stewardship</b>							
Watershed Protection Fund	\$ 0	\$ 0	\$ 0	\$ 2,700,000	\$ 2,700,000	\$ 0	\$ 2,700,000
Alternative Drainage System Fund				500,000	500,000		500,000
Loess Hills Conservation Authority				1,000,000	1,000,000		1,000,000
Soil Conservation Cost Share			5,500,000	1,500,000	7,000,000		7,000,000
Nutrient Management Program				850,000	850,000		850,000
Conservation Reserve Program (CRP)				1,500,000	1,500,000		1,500,000
Conservation Reserve Enhancement (CREP)				1,500,000	1,500,000		1,500,000
Subtotal	0	0	5,500,000	9,550,000	15,050,000	0	15,050,000
<b>Corrections</b>							
Ft. Madison - Special Needs Unit			6,400,000		6,400,000		6,400,000
Ft. Madison Electrical System Upgrade			333,200		333,200		333,200
Oakdale Water Access			100,000		100,000		100,000
Mitchellville Waste Water Facility			364,400		364,400		364,400
Subtotal	0	0	7,197,600	0	7,197,600	0	7,197,600
<b>Cultural Affairs</b>							
Historic Grant Program			2,000,000		2,000,000		2,000,000
Historic al Collections			250,000		250,000		250,000
Subtotal	0	0	2,250,000	0	2,250,000	0	2,250,000
<b>Economic Development</b>							
Community Attraction & Tourism Program	12,500,000				12,500,000		12,500,000
ACE Program			5,000,000		5,000,000		5,000,000
Advanced Research & Commercialization			4,000,000		4,000,000		4,000,000
Physical Infrastructure Assist. Program			2,000,000		2,000,000		2,000,000
Housing Program	1,000,000		1,200,000		2,200,000		2,200,000
Brownfield Redevelopment Fund				1,500,000	1,500,000		1,500,000
Subtotal	13,500,000	0	12,200,000	1,500,000	27,200,000	0	27,200,000
<b>Education</b>							
Community Colleges Technology			3,000,000		3,000,000		3,000,000
Public Libraries - Erich Iowa Program			500,000		500,000		500,000
21st Century Learning Infrastructure			2,000,000		2,000,000		2,000,000
Digital Divide			1,500,000		1,500,000		1,500,000
Subtotal	0	0	7,000,000	0	7,000,000	0	7,000,000
<b>General Services</b>							
Major Maintenance/ADA Improvements			15,000,000		15,000,000		15,000,000
Statewide Routine Maintenance			2,500,000		2,500,000		2,500,000
Employee Relocation Costs			1,579,000		1,579,000		1,579,000
Capitol Interior Restoration			1,700,000		1,700,000		1,700,000
Records Center Relocation			1,028,000		1,028,000		1,028,000
Records & Property Bldg. Renovation			1,215,000		1,215,000		1,215,000
Property Acquisition & Site Development			400,000		400,000		400,000
Subtotal	0	0	23,422,000	0	23,422,000	0	23,422,000
<b>Information Technology</b>							
Project Grants and Allocations	0		18,500,000	0	18,500,000	0	18,500,000

**Governor's Recommendations  
FY 2002 Capital Projects**

State Agency	Rebuild Iowa Infrastructure Fund					Primary Road Fund	Total
	Enacted Appropriations	Recomm. Deapprop.	New RIIF Recomm.	Environment First Fund	RIIF Total		
<b>Judicial Branch</b>							
Judicial Building Construction	10,300,000				10,300,000		10,300,000
Pave 12th Street South of Court Ave			34,000		34,000		34,000
Subtotal	10,300,000	0	34,000	0	10,334,000	0	10,334,000
<b>Natural Resources</b>							
Destination State Park Const.-Phase I			1,000,000		1,000,000		1,000,000
Private Land Access for Recreation				1,250,000	1,250,000		1,250,000
REAP				12,500,000	12,500,000		12,500,000
Water Monitoring Stations				3,000,000	3,000,000		3,000,000
Land Forms and Eco Systems				125,000	125,000		125,000
Volunteers and Keepers of Land				130,000	130,000		130,000
Pollution Discharge Eliminate				250,000	250,000		250,000
GIS Information for Watersheds				195,000	195,000		195,000
Floodplain Protection				200,000	200,000		200,000
Lake Dredging				500,000	500,000		500,000
Waste Tire Abatement Program				500,000	500,000		500,000
Recreation Grant Program				3,000,000	3,000,000		3,000,000
Marine Fuel Tax Capital Projects				2,300,000	2,300,000		2,300,000
Subtotal	0	0	1,000,000	23,950,000	24,950,000	0	24,950,000
<b>Public Defense</b>							
Facility Maintenance			700,000		700,000		700,000
Estherville Readiness Center			400,000		400,000		400,000
Subtotal	0	0	1,100,000	0	1,100,000	0	1,100,000
<b>Regents</b>							
ISU - Gilman Hall	2,500,000	-2,500,000			0		0
SUI - Biological Sciences Building	7,300,000	-7,300,000			0		0
UNI - McCollum Science Hall Addition	5,800,000	-5,800,000			0		0
Subtotal	15,600,000	-15,600,000	0	0	0	0	0
<b>Telecom. &amp; Tech. Comm.</b>							
ICN - Maintenance and Leases	0		2,727,000	0	2,727,000	0	2,727,000
<b>Treasurer of State</b>							
County Fair Infrastructure	0		1,060,000	0	1,060,000	0	1,060,000
<b>Transportation</b>							
Recreational Trails Program			2,000,000		2,000,000		2,000,000
Commercial Airport Improvements			1,000,000		1,000,000		1,000,000
Aviation Grants			1,000,000		1,000,000		1,000,000
Aviation Hangar Revolving Loan Fund			500,000		500,000		500,000
Salt Storage Facilities					0	1,000,000	1,000,000
DOT Capital Projects					0	1,850,000	1,850,000
Waste Water Improvements					0	400,000	400,000
Maintenance Garage Roofs					0	400,000	400,000
Exhaust Systems					0	350,000	350,000
Cedar Rapids Lab Addition					0	320,000	320,000
ADA Improvements					0	200,000	200,000
Subtotal	0	0	4,500,000	0	4,500,000	4,520,000	9,020,000
<b>Total</b>	<b>\$ 39,400,000</b>	<b>\$ -15,600,000</b>	<b>\$ 86,490,600</b>	<b>\$ 35,000,000</b>	<b>\$ 145,290,600</b>	<b>\$ 4,520,000</b>	<b>\$ 149,810,600</b>

APPENDIX A

**FY 2002 GENERAL FUND GOVERNOR'S RECOMMENDATION**



**GENERAL FUND APPROPRIATIONS**

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
Administration and Regulation	\$ 88,473,664	\$ 87,036,039	\$ 91,501,709	\$ 92,792,694	\$ 5,756,655	6.6%
Ag. and Natural Resources	44,279,251	44,475,715	55,560,458	39,674,080	-4,801,635	-10.8%
Economic Development	41,614,274	37,505,675	48,161,591	37,421,374	-84,301	-0.2%
Education	946,684,996	980,000,107	1,073,585,343	986,209,544	6,209,437	0.6%
Health and Human Rights	95,082,788	91,218,226	96,129,213	93,351,157	2,132,931	2.3%
Human Services	788,581,407	786,129,389	923,899,265	845,378,245	59,248,856	7.5%
Justice System	468,181,506	490,827,035	516,025,722	506,252,372	15,425,337	3.1%
Trans., Infra., & Capitals	3,924,672	3,139,443	3,900,000	3,137,000	-2,443	-0.1%
Oversight and Communication	23,577,458	22,878,009	25,559,397	22,823,009	-55,000	-0.2%
Unassigned Standing	<u>2,262,748,406</u>	<u>2,339,145,684</u>	<u>2,337,011,742</u>	<u>2,392,744,016</u>	<u>53,598,332</u>	2.3%
Grand Total	<u>\$ 4,763,148,422</u>	<u>\$ 4,882,355,322</u>	<u>\$ 5,171,334,440</u>	<u>\$ 5,019,783,491</u>	<u>\$ 137,428,169</u>	2.8%

Note: The FY 2001 estimated appropriations, FY 2002 department requests, and the FY 2002 Governor's recommendation are based upon the January 5, 2001, budget tape received from the DOM.

# Administration and Regulation

## General Fund

	<u>Actual</u> <u>FY 2000</u> <u>(1)</u>	<u>Estimated</u> <u>FY 2001</u> <u>(2)</u>	<u>Dept Request</u> <u>FY 2002</u> <u>(3)</u>	<u>Gov Recomm</u> <u>FY 2002</u> <u>(4)</u>	<u>Gov. Rec. vs.</u> <u>FY 2001</u> <u>(5)</u>	<u>Percent</u> <u>Change</u> <u>(6)</u>
<b><u>Auditor of State</u></b>						
Auditor of State - Gen. Office	\$ 1,490,432	\$ 1,399,414	\$ 1,663,823	\$ 1,399,414	\$ 0	0.0%
<b><u>Ethics and Campaign Disclosure</u></b>						
Ethics and Campaign Disclosure	\$ 500,838	\$ 515,505	\$ 588,605	\$ 528,505	\$ 13,000	2.5%
<b><u>Commerce, Department of</u></b>						
Administration	\$ 1,112,127	\$ 1,137,329	\$ 1,137,329	\$ 1,137,329	\$ 0	0.0%
License Fee Education-ABD	37,000	25,000	0	0	-25,000	-100.0%
Alcoholic Beverages	1,592,587	1,610,057	1,979,522	1,610,057	0	0.0%
Banking Division	5,672,781	5,918,784	6,517,603	6,303,256	384,472	6.5%
Credit Union Division	1,107,260	1,228,248	1,297,471	1,297,471	69,223	5.6%
Insurance Division	3,723,541	3,874,539	3,966,489	3,910,539	36,000	0.9%
Professional Licensing	889,607	870,544	870,544	870,544	0	0.0%
Utilities Division	5,983,707	6,034,571	6,034,571	6,034,571	0	0.0%
<b>Total Commerce, Department of</b>	<b>\$ 20,118,610</b>	<b>\$ 20,699,072</b>	<b>\$ 21,803,529</b>	<b>\$ 21,163,767</b>	<b>\$ 464,695</b>	<b>2.2%</b>
<b><u>General Services, Dept. of</u></b>						
General Services Admin Serv	\$ 1,956,014	\$ 2,051,607	\$ 2,051,607	\$ 2,051,607	\$ 0	0.0%
Utilities	2,036,989	2,247,323	2,247,323	2,247,323	0	0.0%
Rental Space	1,028,898	1,028,898	1,643,799	1,483,799	454,901	44.2%
Terrace Hill Operations	236,942	259,191	379,742	259,191	0	0.0%
Capitol Planning Commission	2,000	2,000	0	0	-2,000	-100.0%
General Services Property Mgmt	4,524,792	4,831,359	4,831,359	4,831,359	0	0.0%
<b>Total General Services, Dept. of</b>	<b>\$ 9,785,635</b>	<b>\$ 10,420,378</b>	<b>\$ 11,153,830</b>	<b>\$ 10,873,279</b>	<b>\$ 452,901</b>	<b>4.3%</b>
<b><u>Governor</u></b>						
General Office	\$ 1,449,325	\$ 1,509,293	\$ 1,509,293	\$ 1,509,293	\$ 0	0.0%
Terrace Hill Quarters	129,517	133,078	169,073	169,073	35,995	27.0%

# Administration and Regulation

## General Fund

	<u>Actual</u> <u>FY 2000</u>	<u>Estimated</u> <u>FY 2001</u>	<u>Dept Request</u> <u>FY 2002</u>	<u>Gov Recomm</u> <u>FY 2002</u>	<u>Gov. Rec. vs.</u> <u>FY 2001</u>	<u>Percent</u> <u>Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Governor (cont.)</u></b>						
Admin Rules Coordinator	140,598	152,252	152,252	152,252	0	0.0%
Natl Governor's Association	68,800	68,800	68,800	74,500	5,700	8.3%
State-Federal Relations	279,960	297,421	297,421	297,421	0	0.0%
Technology Upgrades	45,000	0	0	0	0	
<b>Total Governor</b>	<b>\$ 2,113,200</b>	<b>\$ 2,160,844</b>	<b>\$ 2,196,839</b>	<b>\$ 2,202,539</b>	<b>\$ 41,695</b>	<b>1.9%</b>
<b><u>Inspections &amp; Appeals, Dept of</u></b>						
<b><u>Inspections and Appeals</u></b>						
Administration Division	\$ 564,597	\$ 573,427	\$ 573,427	\$ 573,427	\$ 0	0.0%
Audits Division	493,535	480,567	512,091	508,938	28,371	5.9%
Administrative Hearings Div.	482,105	514,668	514,667	514,668	0	0.0%
Investigations Division	1,006,560	1,054,636	1,054,636	1,054,636	0	0.0%
Health Facilities Division	2,347,258	2,473,611	2,590,805	2,579,075	105,464	4.3%
Inspections Division	658,713	877,970	877,970	877,970	0	0.0%
Employment Appeal Board	35,123	35,091	35,091	35,091	0	0.0%
Foster Care Review Board	788,396	799,362	825,338	799,362	0	0.0%
<b>Total Inspections and Appeals</b>	<b>6,376,287</b>	<b>6,809,332</b>	<b>6,984,025</b>	<b>6,943,167</b>	<b>133,835</b>	<b>2.0%</b>
<b><u>Racing Commission</u></b>						
Pari-mutuel Regulation	2,146,579	2,282,778	2,282,778	2,282,778	0	0.0%
Excursion Boat Gambling Reg.	1,471,047	1,491,474	1,491,474	1,491,474	0	0.0%
<b>Total Racing Commission</b>	<b>3,617,626</b>	<b>3,774,252</b>	<b>3,774,252</b>	<b>3,774,252</b>	<b>0</b>	<b>0.0%</b>
<b>Total Inspections &amp; Appeals, Dept of</b>	<b>\$ 9,993,913</b>	<b>\$ 10,583,584</b>	<b>\$ 10,758,277</b>	<b>\$ 10,717,419</b>	<b>\$ 133,835</b>	<b>1.3%</b>
<b><u>Management, Department of</u></b>						
General Office	\$ 2,207,712	\$ 2,361,258	\$ 2,361,258	\$ 2,361,258	\$ 0	0.0%
Salary Adjustment	415,167	133,800	133,800	133,800	0	0.0%
Federal Overbilling	0	0	0	2,000,000	2,000,000	

# Administration and Regulation

## General Fund

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Management, Department of (cont.)</u></b>						
Council of State Governments	84,033	86,554	86,554	89,583	3,029	3.5%
Iowa 2010	130,000	0	0	0	0	
Statewide Property Tax Admin.	69,177	90,078	90,078	90,078	0	0.0%
Law Enforcement Training Reimb	47,500	47,500	47,500	0	-47,500	-100.0%
<b>Total Management, Department of</b>	<b>\$ 2,953,589</b>	<b>\$ 2,719,190</b>	<b>\$ 2,719,190</b>	<b>\$ 4,674,719</b>	<b>\$ 1,955,529</b>	<b>71.9%</b>
<b><u>Personnel, Department of</u></b>						
IDOP-Admin. and Prog. Op.	\$ 1,560,173	\$ 1,916,895	\$ 2,009,164	\$ 2,294,695	\$ 377,800	19.7%
IDOP-Customer Services and Ben	1,407,861	2,967,385	2,967,385	3,289,585	322,200	10.9%
IDOP-Prog. Admin. and Develop.	1,791,001	0	0	0	0	
Institute for Public Leadership	0	40,000	40,000	40,000	0	0.0%
Worker's Compensation	4,084,740	0	2,000,000	1,800,000	1,800,000	
<b>Total Personnel, Department of</b>	<b>\$ 8,843,775</b>	<b>\$ 4,924,280</b>	<b>\$ 7,016,549</b>	<b>\$ 7,424,280</b>	<b>\$ 2,500,000</b>	<b>50.8%</b>
<b><u>Revenue and Finance, Dept. of</u></b>						
Compliance	\$ 10,907,185	\$ 10,958,900	\$ 11,250,126	\$ 11,401,234	\$ 442,334	4.0%
Internal Resources Management	6,003,101	6,787,886	6,569,704	6,630,511	-157,375	-2.3%
State Financial Management	11,911,600	11,806,260	11,733,216	11,921,301	115,041	1.0%
Collection Costs and Fees	36,077	67,000	67,000	67,000	0	0.0%
Statewide Property Tax	69,177	75,000	75,000	75,000	0	0.0%
<b>Total Revenue and Finance, Dept. of</b>	<b>\$ 28,927,140</b>	<b>\$ 29,695,046</b>	<b>\$ 29,695,046</b>	<b>\$ 30,095,046</b>	<b>\$ 400,000</b>	<b>1.3%</b>
<b><u>Secretary of State</u></b>						
Administration And Elections	\$ 729,644	\$ 809,439	\$ 839,439	\$ 809,439	\$ 0	0.0%
Iowa Official Register	45,000	5,000	50,000	50,000	45,000	900.0%
Business Services	1,877,789	1,846,660	1,884,160	1,846,660	0	0.0%

# Administration and Regulation

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Secretary of State (cont.)</u></b>						
IA Student Political Aware Club	30,000	0	0	0	0	
Redistricting	<u>0</u>	<u>25,000</u>	<u>58,500</u>	<u>25,000</u>	<u>0</u>	0.0%
<b>Total Secretary of State</b>	<b><u>\$ 2,682,433</u></b>	<b><u>\$ 2,686,099</u></b>	<b><u>\$ 2,832,099</u></b>	<b><u>\$ 2,731,099</u></b>	<b><u>\$ 45,000</u></b>	<b>1.7%</b>
<b><u>Treasurer of State</u></b>						
Office Furnishings	\$ 25,000	\$ 0	\$ 91,295	\$ 0	\$ 0	
Treasurer - General Office	<u>1,039,099</u>	<u>1,232,627</u>	<u>982,627</u>	<u>982,627</u>	<u>-250,000</u>	-20.3%
<b>Total Treasurer of State</b>	<b><u>\$ 1,064,099</u></b>	<b><u>\$ 1,232,627</u></b>	<b><u>\$ 1,073,922</u></b>	<b><u>\$ 982,627</u></b>	<b><u>\$ -250,000</u></b>	<b>-20.3%</b>
<b>Total Administration and Regulation</b>	<b><u>\$ 88,473,664</u></b>	<b><u>\$ 87,036,039</u></b>	<b><u>\$ 91,501,709</u></b>	<b><u>\$ 92,792,694</u></b>	<b><u>\$ 5,756,655</u></b>	<b>6.6%</b>
Operations	\$ 84,352,847	\$ 86,969,039	\$ 89,434,709	\$ 90,925,694	\$ 3,956,655	4.5%
Grants & Aid	\$ 4,084,740	\$ 0	\$ 2,000,000	\$ 1,800,000	\$ 1,800,000	
Standing	<u>\$ 36,077</u>	<u>\$ 67,000</u>	<u>\$ 67,000</u>	<u>\$ 67,000</u>	<u>\$ 0</u>	0.0%
	<b><u>\$ 88,473,664</u></b>	<b><u>\$ 87,036,039</u></b>	<b><u>\$ 91,501,709</u></b>	<b><u>\$ 92,792,694</u></b>	<b><u>\$ 5,756,655</u></b>	<b>6.6%</b>

# Ag. and Natural Resources

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Agriculture &amp; Land Stewardship</u></b>						
<b>Agriculture &amp; Land Stewardship</b>						
Administrative Division	\$ 2,445,247	\$ 2,511,256	\$ 3,004,240	\$ 2,576,966	\$ 65,710	2.6%
Farmer's Market Coupon Program	301,373	304,680	504,680	418,970	114,290	37.5%
Regulatory Division	4,963,309	5,208,121	11,558,253	5,392,336	184,215	3.5%
Laboratory Division	3,725,230	3,769,638	6,136,265	3,769,638	0	0.0%
International Relations	0	20,151	20,151	20,151	0	0.0%
Pseudorabies Eradication	900,600	900,700	900,700	900,700	0	0.0%
Livestock Disease Research	5,330	0	0	0	0	
<b>Total Agriculture &amp; Land Stewardship</b>	<b>12,341,089</b>	<b>12,714,546</b>	<b>22,124,289</b>	<b>13,078,761</b>	<b>364,215</b>	<b>2.9%</b>
<b>Ag. - Soil Conservation</b>						
Soil Consv Cost Share-00	6,500,850	0	0	0	0	
Soil Consv Cost Share-01	0	5,500,850	0	0	-5,500,850	-100.0%
Soil Consv Division Ops	6,985,526	7,177,875	8,177,875	7,177,875	0	0.0%
Soil Consv Cost Share-02	0	0	5,500,850	0	0	
<b>Total Ag. - Soil Conservation</b>	<b>13,486,376</b>	<b>12,678,725</b>	<b>13,678,725</b>	<b>7,177,875</b>	<b>-5,500,850</b>	<b>-43.4%</b>
<b>Total Agriculture &amp; Land Stewardship</b>	<b>\$ 25,827,465</b>	<b>\$ 25,393,271</b>	<b>\$ 35,803,014</b>	<b>\$ 20,256,636</b>	<b>\$ -5,136,635</b>	<b>-20.2%</b>
<b><u>Natural Resources, Department of</u></b>						
Natural Resources Dept. Ops.	\$ 0	\$ 73,606	\$ 73,606	\$ 73,606	\$ 0	0.0%
USDA APHIS Support	50,000	0	0	0	0	
Admin Services Division	2,140,458	2,252,531	2,252,531	2,252,531	0	0.0%
Parks & Preserves Division	6,255,011	6,483,100	6,633,100	6,618,100	135,000	2.1%
Forestry Division	1,741,950	1,815,460	1,815,460	1,815,460	0	0.0%
Energy & Geology Division	1,936,456	2,004,683	2,004,683	2,004,683	0	0.0%
Environ. Protection Division	4,987,600	5,212,753	5,837,753	5,512,753	300,000	5.8%
Environ/Water Quality Protect.	729,000	729,000	729,000	729,000	0	0.0%

# Ag. and Natural Resources

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Natural Resources, Department of (cont.)</u></b>						
MFT - Parks Operations	411,311	411,311	411,311	411,311	0	0.0%
Parks Retirement	200,000				0	
<b>Total Natural Resources, Department of</b>	<b>\$ 18,451,786</b>	<b>\$ 18,982,444</b>	<b>\$ 19,757,444</b>	<b>\$ 19,417,444</b>	<b>\$ 435,000</b>	<b>2.3%</b>
<b><u>Regents, Board of</u></b>						
Johnne's Disease	\$ 0	\$ 100,000	\$ 0	\$ 0	\$ -100,000	-100.0%
<b>Total Ag. and Natural Resources</b>	<b>\$ 44,279,251</b>	<b>\$ 44,475,715</b>	<b>\$ 55,560,458</b>	<b>\$ 39,674,080</b>	<b>\$ -4,801,635</b>	<b>-10.8%</b>
Operations	\$ 36,872,471	\$ 38,074,165	\$ 49,158,908	\$ 38,773,380	\$ 699,215	1.8%
Grants & Aid	\$ 7,406,780	\$ 6,401,550	\$ 6,401,550	\$ 900,700	\$ -5,500,850	-85.9%
	<b>\$ 44,279,251</b>	<b>\$ 44,475,715</b>	<b>\$ 55,560,458</b>	<b>\$ 39,674,080</b>	<b>\$ -4,801,635</b>	<b>-10.8%</b>

# Economic Development

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Economic Development, Dept. of</u></b>						
<b>Administrative Services</b>						
General Administration	\$ 1,774,577	\$ 1,755,666	\$ 1,910,030	\$ 1,805,666	\$ 50,000	2.8%
Film Office	267,884	260,641	270,900	260,641	0	0.0%
IA Comm. on Volunteerism	0	80,000	80,000	80,000	0	0.0%
School to Career Refund	50,000	100,000	100,000	100,000	0	0.0%
<b>Total Administrative Services</b>	<b>2,092,461</b>	<b>2,196,307</b>	<b>2,360,930</b>	<b>2,246,307</b>	<b>50,000</b>	<b>2.3%</b>
<b>Business Development</b>						
Business Development	4,405,628	4,823,768	5,279,199	4,973,768	150,000	3.1%
Small Business Programs	457,571	0	0	0	0	
Procurement Office	106,932	0	0	0	0	
Workforce Recruitment Proj.	559,051	401,230	401,230	401,230	0	0.0%
Strategic Invest. Approp.	5,069,797	3,727,474	6,000,000	3,727,474	0	0.0%
Tech. Marketing Initiative	0	0	1,000,000	100,000	100,000	
Value Added Ag. Products	0	0	3,500,000	0	0	
<b>Total Business Development</b>	<b>10,598,979</b>	<b>8,952,472</b>	<b>16,180,429</b>	<b>9,202,472</b>	<b>250,000</b>	<b>2.8%</b>
<b>Community &amp; Rural Development</b>						
Community Assistance	884,961	871,825	1,001,755	871,825	0	0.0%
Mainstreet/Rural Mainst.	444,741	435,278	452,321	435,278	0	0.0%
Community Dev. Programs	997,780	960,354	1,149,694	960,354	0	0.0%
Community Dev. Block Grant	422,719	421,314	438,033	421,314	0	0.0%
Housing Development Assist.	1,700,000	500,000	1,700,000	0	-500,000	-100.0%
<b>Total Community &amp; Rural Development</b>	<b>4,450,201</b>	<b>3,188,771</b>	<b>4,741,803</b>	<b>2,688,771</b>	<b>-500,000</b>	<b>-15.7%</b>
<b>Tourism Division</b>						
Tourism Operations	5,086,335	4,968,216	6,369,398	4,968,216	0	0.0%
<b>International Division</b>						
International Trade	2,143,222	2,330,737	2,414,390	2,330,737	0	0.0%

# Economic Development

## General Fund

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Economic Development, Dept. of (cont.)</u></b>						
<b>International Division (cont.)</b>						
Export Assistance Program	425,000	408,000	425,000	408,000	0	0.0%
Ag. Prod. Adv. Council	1,300	0	0	0	0	
Partner State Program	125,000	120,000	125,000	140,000	20,000	16.7%
<b>Total International Division</b>	<b>2,694,522</b>	<b>2,858,737</b>	<b>2,964,390</b>	<b>2,878,737</b>	<b>20,000</b>	<b>0.7%</b>
<b>Total Economic Development, Dept. of</b>	<b>\$ 24,922,498</b>	<b>\$ 22,164,503</b>	<b>\$ 32,616,950</b>	<b>\$ 21,984,503</b>	<b>\$ -180,000</b>	<b>-0.8%</b>
<b><u>Iowa Workforce Development</u></b>						
Workers' Comp. Division	\$ 2,503,687	\$ 2,377,858	\$ 2,377,858	\$ 2,568,148	\$ 190,290	8.0%
Labor Division	3,102,932	3,504,474	3,590,324	3,670,034	165,560	4.7%
Making Connections	0	0	200,000	0	0	
Workforce Dev. Board	108,230	126,277	126,277	126,277	0	0.0%
Employment Statistics	68,791	67,078	67,078	0	-67,078	-100.0%
Labor Management Coord.	68,613	69,652	69,652	0	-69,652	-100.0%
New Employment Opportunities	1,231,052	500,000	500,000	500,000	0	0.0%
Welfare To Work Match	888,633	153,024	0	0	-153,024	-100.0%
<b>Total Iowa Workforce Development</b>	<b>\$ 7,971,938</b>	<b>\$ 6,798,363</b>	<b>\$ 6,931,189</b>	<b>\$ 6,864,459</b>	<b>\$ 66,096</b>	<b>1.0%</b>
<b><u>Public Employment Relations Board</u></b>						
General Office	\$ 912,086	\$ 912,222	\$ 982,865	\$ 941,825	\$ 29,603	3.2%
<b><u>Regents, Board of</u></b>						
<b>University of Iowa</b>						
Oak Park Res./Tech. Park	\$ 348,943	\$ 341,021	\$ 341,021	\$ 341,021	\$ 0	0.0%
Advanced Drug Development	281,679	275,811	275,811	275,811	0	0.0%
<b>Total University of Iowa</b>	<b>630,622</b>	<b>616,832</b>	<b>616,832</b>	<b>616,832</b>	<b>0</b>	<b>0.0%</b>

# Economic Development

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Regents, Board of (cont.)</u></b>						
<b>Iowa State University</b>						
Small Business Dev. Ctrs.	1,259,638	1,220,417	1,220,417	1,220,417	0	0.0%
Research Park/ISIS	392,822	385,271	385,271	385,271	0	0.0%
Inst. for Physical Res.	4,572,801	4,474,108	4,474,108	4,474,108	0	0.0%
<b>Total Iowa State University</b>	<b>6,225,261</b>	<b>6,079,796</b>	<b>6,079,796</b>	<b>6,079,796</b>	<b>0</b>	<b>0.0%</b>
<b>Univ. of Northern Iowa</b>						
Metal Casting	179,537	176,861	176,861	176,861	0	0.0%
Decision Making Institute	772,332	757,098	757,098	757,098	0	0.0%
<b>Total Univ. of Northern Iowa</b>	<b>951,869</b>	<b>933,959</b>	<b>933,959</b>	<b>933,959</b>	<b>0</b>	<b>0.0%</b>
<b>Total Regents, Board of</b>	<b>\$ 7,807,752</b>	<b>\$ 7,630,587</b>	<b>\$ 7,630,587</b>	<b>\$ 7,630,587</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>Total Economic Development</b>	<b>\$ 41,614,274</b>	<b>\$ 37,505,675</b>	<b>\$ 48,161,591</b>	<b>\$ 37,421,374</b>	<b>\$ -84,301</b>	<b>-0.2%</b>
Operations	\$ 41,141,555	\$ 36,984,361	\$ 47,623,558	\$ 36,900,060	\$ -84,301	-0.2%
Grants & Aid	\$ 422,719	\$ 421,314	\$ 438,033	\$ 421,314	\$ 0	0.0%
Standing	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0	0.0%
	<b>\$ 41,614,274</b>	<b>\$ 37,505,675</b>	<b>\$ 48,161,591</b>	<b>\$ 37,421,374</b>	<b>\$ -84,301</b>	<b>-0.2%</b>

# Education

## General Fund

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>College Aid Commission</u></b>						
<b>College Aid Commission</b>						
ACE Opportunity Grants	\$ 0	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0	0.0%
US Army Educational Benefits	0	0	0	50,000	50,000	
Yes You Can Grants	0	0	337,000	0	0	
Foster Care Grant Program	0	0	65,000	65,000	65,000	
<b>Total College Aid Commission</b>	<b>0</b>	<b>250,000</b>	<b>652,000</b>	<b>365,000</b>	<b>115,000</b>	<b>46.0%</b>
<b>Operations &amp; Loan Program</b>						
Scholarship and Grant Admin	325,801	337,534	339,802	337,534	0	0.0%
National Guard Loan Program	833,900	1,250,000	1,250,000	1,250,000	0	0.0%
Osteopathic Forgivable Loans	379,260	254,260	379,260	379,260	125,000	49.2%
Osteopathic University Prime	395,000	395,000	395,000	395,000	0	0.0%
Student Aid Programs (IA Grant	1,161,850	1,144,850	4,144,850	1,144,850	0	0.0%
Chiropractic Forgivable Loans	100,000	100,000	100,000	100,000	0	0.0%
Teacher Shortage Forgivable Ln	250,000	525,000	1,100,000	525,000	0	0.0%
<b>Total Operations &amp; Loan Program</b>	<b>3,445,811</b>	<b>4,006,644</b>	<b>7,708,912</b>	<b>4,131,644</b>	<b>125,000</b>	<b>3.1%</b>
<b>Standing Grant &amp; Loan Program</b>						
Tuition Grant Program Standing	47,664,750	48,830,075	52,757,460	49,930,075	1,100,000	2.3%
Scholarship Program Standing	498,540	498,540	498,540	498,540	0	0.0%
Voc Tech Grant - Standing	2,482,400	2,482,400	2,982,400	2,482,400	0	0.0%
College Work-Study Program	2,950,000	2,750,000	2,750,000	2,750,000	0	0.0%
<b>Total Standing Grant &amp; Loan Program</b>	<b>53,595,690</b>	<b>54,561,015</b>	<b>58,988,400</b>	<b>55,661,015</b>	<b>1,100,000</b>	<b>2.0%</b>
<b>Total College Aid Commission</b>	<b>\$ 57,041,501</b>	<b>\$ 58,817,659</b>	<b>\$ 67,349,312</b>	<b>\$ 60,157,659</b>	<b>\$ 1,340,000</b>	<b>2.3%</b>
<b><u>Cultural Affairs, Dept. of</u></b>						
Iowa Arts Council	\$ 1,443,405	\$ 1,431,406	\$ 1,586,406	\$ 1,506,406	\$ 75,000	5.2%
Cultural Grants	715,809	691,149	691,149	691,149	0	0.0%
LACES	25,000	0	0	0	0	

# Education

## General Fund

	<u>Actual</u> <u>FY 2000</u>	<u>Estimated</u> <u>FY 2001</u>	<u>Dept Request</u> <u>FY 2002</u>	<u>Gov Recomm</u> <u>FY 2002</u>	<u>Gov. Rec. vs.</u> <u>FY 2001</u>	<u>Percent</u> <u>Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Cultural Affairs, Dept. of (cont.)</u></b>						
State Historical Society	3,286,261	3,361,387	3,696,387	3,436,387	75,000	2.2%
Cultural Affairs - Admin.	242,873	254,188	254,188	254,188	0	0.0%
Historical Sites	609,071	602,293	602,293	602,293	0	0.0%
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 6,322,419</b>	<b>\$ 6,340,423</b>	<b>\$ 6,830,423</b>	<b>\$ 6,490,423</b>	<b>\$ 150,000</b>	<b>2.4%</b>
<b><u>Education, Department of</u></b>						
<b>Education, Dept. of</b>						
Employability Skills	\$ 185,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0	0.0%
School to Work	0	210,000	210,000	210,000	0	0.0%
Teacher of The Year	0	75,000	75,000	75,000	0	0.0%
Governor's Ed. Roundtable	0	0	0	95,000	95,000	
Teacher Salaries	0	0	62,155,000	0	0	
Americorps	0	121,000	121,000	221,000	100,000	82.6%
Education Innovation Fund	0	425,000	425,000	425,000	0	0.0%
LACES	0	25,000	25,000	25,000	0	0.0%
Strengthening Families	50,000	0	0	0	0	
Jobs For America's Grads	0	333,000	333,000	333,000	0	0.0%
Enrich Iowa Libraries	700,000	1,000,000	1,000,000	2,000,000	1,000,000	100.0%
School Aid - On Time Funding	4,000,000	0	0	0	0	
<b>Total Education, Dept. of</b>	<b>4,935,000</b>	<b>2,389,000</b>	<b>64,544,000</b>	<b>3,584,000</b>	<b>1,195,000</b>	<b>50.0%</b>
<b>Administration</b>						
Dept. of Ed. Administration	5,876,654	6,056,580	6,056,580	6,056,580	0	0.0%
Vocational Ed. Admin.	566,741	577,628	577,628	577,628	0	0.0%
Board of Ed. Examiners	211,204	204,156	204,156	54,156	-150,000	-73.5%
State Library	3,179,476	3,172,038	3,172,038	1,819,616	-1,352,422	-42.6%
Regional Library	1,687,000	1,687,000	1,687,000	1,687,000	0	0.0%
Vocational Rehabilitation	4,732,723	4,982,384	4,982,384	4,982,384	0	0.0%

# Education

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Education, Department of (cont.)</u></b>						
<b>Administration (cont.)</b>						
Independent Living	76,401	76,579	76,579	76,579	0	0.0%
Iowa Public Television	7,816,426	8,181,552	8,777,863	8,181,552	0	0.0%
<b>Total Administration</b>	<b>24,146,625</b>	<b>24,937,917</b>	<b>25,534,228</b>	<b>23,435,495</b>	<b>-1,502,422</b>	<b>-6.0%</b>
<b>Grants &amp; State Aid</b>						
School Food Service	2,716,859	2,716,859	2,716,859	2,716,859	0	0.0%
Textbooks Nonpublic	650,000	650,000	650,000	650,000	0	0.0%
Vocational Educ Secondary	3,308,850	3,308,850	3,308,850	3,308,850	0	0.0%
Family Resource Centers	-750	90,000	90,000	90,000	0	0.0%
Voc Ed. Youth Org.	107,900	94,400	94,400	94,400	0	0.0%
Beginning Teacher/Mentoring	300,000	775,000	0	0	-775,000	-100.0%
Extended School Year	-469,943	0	0	0	0	
National Certification Stipend	1,000,000	1,380,000	0	0	-1,380,000	-100.0%
Empowerment Bd - Early Child.	10,400,000	15,600,000	15,600,000	15,600,000	0	0.0%
<b>Total Grants &amp; State Aid</b>	<b>18,012,916</b>	<b>24,615,109</b>	<b>22,460,109</b>	<b>22,460,109</b>	<b>-2,155,000</b>	<b>-8.8%</b>
<b>Community College</b>						
MAS - General Aid	141,577,403	147,577,403	156,890,997	152,577,403	5,000,000	3.4%
<b>Total Education, Department of</b>	<b>\$ 188,671,944</b>	<b>\$ 199,519,429</b>	<b>\$ 269,429,334</b>	<b>\$ 202,057,007</b>	<b>\$ 2,537,578</b>	<b>1.3%</b>
<b><u>Regents, Board of</u></b>						
<b>Regents, Board of</b>						
Public Health Initiative	\$ 950,000	\$ 0	\$ 0	\$ 0	\$ 0	
Regents Board Office	1,280,586	1,321,335	1,351,335	1,321,335	0	0.0%
Tuition Replacement	27,927,851	28,174,854	27,356,714	27,356,714	-818,140	-2.9%
Tri State Graduate Center	83,778	85,936	88,514	85,936	0	0.0%

# Education

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b>Regents, Board of (cont.)</b>						
<b>Regents, Board of (cont.)</b>						
Southwest Iowa Resource Center	114,324	117,546	121,072	117,546	0	0.0%
Quad Cities Graduate Center	171,382	175,686	181,401	175,686	0	0.0%
<b>Total Regents, Board of</b>	<b>30,527,921</b>	<b>29,875,357</b>	<b>29,099,036</b>	<b>29,057,217</b>	<b>-818,140</b>	<b>-2.7%</b>
<b>University of Iowa</b>						
Univ. of Iowa: Gen. University	247,327,649	255,836,163	261,836,163	255,836,163	0	0.0%
State of Iowa Cancer Registry	212,950	217,012	217,012	217,012	0	0.0%
Iowa Birth Defects Registry	51,724	53,266	53,266	53,266	0	0.0%
Indigent Patient Program: UIHC	32,515,915	33,040,152	33,040,152	33,040,152	0	0.0%
Psychiatric Hospital	8,200,258	8,411,522	8,411,522	8,411,522	0	0.0%
Hospital School	7,268,512	7,487,966	7,487,966	7,487,966	0	0.0%
Oakdale Campus	3,153,570	3,207,848	3,207,848	3,207,848	0	0.0%
University Hygienic Laboratory	4,054,141	4,203,122	4,203,122	4,203,122	0	0.0%
Family Practice Program	2,386,901	2,460,405	2,460,405	2,460,405	0	0.0%
Schs - Hemophilia, Cancer	651,923	689,890	689,890	689,890	0	0.0%
SUI Ag Health and Safety	278,292	284,452	284,452	284,452	0	0.0%
SUI Substance Abuse Consortium	75,158	77,286	77,286	77,286	0	0.0%
Driving Simulator	295,618	0	0	0	0	0.0%
Primary Health Care	896,898	916,974	916,974	916,974	0	0.0%
Biocatalysis	1,068,888	1,084,871	1,084,871	1,084,871	0	0.0%
<b>Total University of Iowa</b>	<b>308,438,397</b>	<b>317,970,929</b>	<b>323,970,929</b>	<b>317,970,929</b>	<b>0</b>	<b>0.0%</b>
<b>Iowa State University</b>						
Iowa State: Gen. University	192,973,551	202,542,309	208,542,308	205,542,308	2,999,999	1.5%
Center Excel In Plant Science	2,191,461	0	0	0	0	0.0%
ISU: Ag & Home Ec. Exp. Sta.	36,111,635	37,029,596	37,029,596	37,029,596	0	0.0%
ISU - Cooperative Extension	23,620,771	23,386,276	23,386,276	23,386,276	0	0.0%

# Education

## General Fund

	<u>Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Dept Request FY 2002</u>	<u>Gov Recomm FY 2002</u>	<u>Gov. Rec. vs. FY 2001</u>	<u>Percent Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Regents, Board of (cont.)</u></b>						
<b>Iowa State University (cont.)</b>						
ISU Leopold Center	574,729	579,843	579,843	579,843	0	0.0%
Livestock Disease Research	279,077	279,773	279,773	279,773	0	0.0%
<b>Total Iowa State University</b>	<b>255,751,224</b>	<b>263,817,797</b>	<b>269,817,796</b>	<b>266,817,796</b>	<b>2,999,999</b>	<b>1.1%</b>
<b>Univ. of Northern Iowa</b>						
University of Northern Iowa	86,996,479	90,643,431	93,643,431	90,643,431	0	0.0%
Masters in Social Work	300,000	0	0	0	0	
Recycling & Reuse Center	248,878	251,754	251,754	251,754	0	0.0%
<b>Total Univ. of Northern Iowa</b>	<b>87,545,357</b>	<b>90,895,185</b>	<b>93,895,185</b>	<b>90,895,185</b>	<b>0</b>	<b>0.0%</b>
<b>Special Schools</b>						
Iowa School for the Deaf	7,936,367	8,178,008	8,458,008	8,178,008	0	0.0%
Braille & Sight Saving School	4,432,925	4,568,379	4,718,379	4,568,379	0	0.0%
Tuition and Transportation	16,941	16,941	16,941	16,941	0	0.0%
<b>Total Special Schools</b>	<b>12,386,233</b>	<b>12,763,328</b>	<b>13,193,328</b>	<b>12,763,328</b>	<b>0</b>	<b>0.0%</b>
<b>Total Regents, Board of</b>	<b>\$ 694,649,132</b>	<b>\$ 715,322,596</b>	<b>\$ 729,976,274</b>	<b>\$ 717,504,455</b>	<b>\$ 2,181,859</b>	<b>0.3%</b>
<b>Total Education</b>	<b>\$ 946,684,996</b>	<b>\$ 980,000,107</b>	<b>\$ 1,073,585,343</b>	<b>\$ 986,209,544</b>	<b>\$ 6,209,437</b>	<b>0.6%</b>
Operations	\$ 742,850,834	\$ 769,276,870	\$ 783,504,127	\$ 769,211,307	\$ -65,563	0.0%
Grants & Aid	\$ 153,188,472	\$ 158,912,222	\$ 233,842,816	\$ 164,087,222	\$ 5,175,000	3.3%
Standing	\$ 50,645,690	\$ 51,811,015	\$ 56,238,400	\$ 52,911,015	\$ 1,100,000	2.1%
	<b>\$ 946,684,996</b>	<b>\$ 980,000,107</b>	<b>\$ 1,073,585,343</b>	<b>\$ 986,209,544</b>	<b>\$ 6,209,437</b>	<b>0.6%</b>

## Health and Human Rights General Fund

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Blind, Iowa Commission for the</u></b>						
Department for the Blind	\$ 1,784,950	\$ 1,826,993	\$ 1,939,993	\$ 1,856,993	\$ 30,000	1.6%
Newsline for the Blind	0	15,000	0	0	-15,000	-100.0%
Iowa Radio Reading Information	0	15,000	0	0	-15,000	-100.0%
<b>Total Blind, Iowa Commission for the</b>	<b>\$ 1,784,950</b>	<b>\$ 1,856,993</b>	<b>\$ 1,939,993</b>	<b>\$ 1,856,993</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Civil Rights Commission</u></b>						
Civil Rights Commission	\$ 1,222,910	\$ 1,226,743	\$ 1,226,743	\$ 1,276,743	\$ 50,000	4.1%
<b><u>Elder Affairs, Department of</u></b>						
Aging Programs	\$ 4,994,492	\$ 5,071,211	\$ 5,548,211	\$ 5,389,011	\$ 317,800	6.3%
<b><u>Governor's Subst. Abuse Coord.</u></b>						
GASA - DARE Coordination	\$ 0	\$ 80,000	\$ 80,000	\$ 80,000	\$ 0	0.0%
Substance Abuse Prev. Coord.	486,659	518,892	518,892	518,892	0	0.0%
Youth Leadership Mentoring	20,000	0	0	0	0	
<b>Total Governor's Subst. Abuse Coord.</b>	<b>\$ 506,659</b>	<b>\$ 598,892</b>	<b>\$ 598,892</b>	<b>\$ 598,892</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Health, Department of Public</u></b>						
Addictive Disorders	\$ 9,930,907	\$ 2,383,320	\$ 3,383,320	\$ 2,773,320	\$ 390,000	16.4%
Adult Wellness	698,855	643,855	743,855	643,855	0	0.0%
Child and Adolescent Wellness	1,484,456	1,424,456	1,525,736	1,505,608	81,152	5.7%
Chronic Conditions	1,841,486	1,846,534	1,846,534	1,846,534	0	0.0%
Community Capacity	1,637,872	1,647,230	1,617,230	1,617,230	-30,000	-1.8%
Elderly Wellness	10,932,737	10,932,737	10,932,737	10,932,737	0	0.0%
Environmental Hazards	165,721	167,069	39,547	39,547	-127,522	-76.3%
Infectious Diseases	1,346,770	1,370,436	1,370,436	1,370,436	0	0.0%
Injuries	1,869,662	1,872,355	1,872,355	1,872,355	0	0.0%

# Health and Human Rights

## General Fund

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Health, Department of Public (cont.)</u></b>						
Public Protection	6,641,013	7,323,647	8,137,667	7,481,169	157,522	2.2%
Resource Management	1,338,335	1,428,097	1,428,097	1,428,097	0	0.0%
<b>Total Health, Department of Public</b>	<b>\$ 37,887,814</b>	<b>\$ 31,039,736</b>	<b>\$ 32,897,514</b>	<b>\$ 31,510,888</b>	<b>\$ 471,152</b>	<b>1.5%</b>
<b><u>Human Rights, Department of</u></b>						
Administration	\$ 247,534	\$ 335,048	\$ 400,909	\$ 295,048	\$ -40,000	-11.9%
Community Action Agencies	0	0	125,000	0	0	
Deaf Services	329,313	350,211	406,958	387,558	37,347	10.7%
Persons with Disabilities	180,769	204,880	216,380	204,880	0	0.0%
Division of Latino Affairs	160,472	183,062	233,062	183,062	0	0.0%
Status of Women	424,064	426,464	676,464	426,464	0	0.0%
Status of African Americans	129,375	140,525	240,214	140,525	0	0.0%
Criminal & Juvenile Justice	412,336	412,481	472,474	472,474	59,993	14.5%
Community Grant Fund	1,600,494	1,600,494	1,600,494	1,600,494	0	0.0%
Status of SE Asians	0	0	0	92,700	92,700	
<b>Total Human Rights, Department of</b>	<b>\$ 3,484,357</b>	<b>\$ 3,653,165</b>	<b>\$ 4,371,955</b>	<b>\$ 3,803,205</b>	<b>\$ 150,040</b>	<b>4.1%</b>
<b><u>Veterans Affairs, Comm. of</u></b>						
Veterans Affairs, Comm of	\$ 306,668	\$ 314,544	\$ 477,398	\$ 364,544	\$ 50,000	15.9%
War Orphans	6,000	6,000	6,000	6,000	0	0.0%
Iowa Veterans Home	44,888,938	47,300,942	49,062,507	48,544,881	1,243,939	2.6%
Merchant Marine Bonus	0	150,000	0	0	-150,000	-100.0%
<b>Total Veterans Affairs, Comm. of</b>	<b>\$ 45,201,606</b>	<b>\$ 47,771,486</b>	<b>\$ 49,545,905</b>	<b>\$ 48,915,425</b>	<b>\$ 1,143,939</b>	<b>2.4%</b>
<b>Total Health and Human Rights</b>	<b>\$ 95,082,788</b>	<b>\$ 91,218,226</b>	<b>\$ 96,129,213</b>	<b>\$ 93,351,157</b>	<b>\$ 2,132,931</b>	<b>2.3%</b>
Operations	\$ 90,082,296	\$ 85,991,015	\$ 90,575,002	\$ 87,956,146	\$ 1,965,131	2.3%
Grants & Aid	\$ 5,000,492	\$ 5,227,211	\$ 5,554,211	\$ 5,395,011	\$ 167,800	3.2%
	<b>\$ 95,082,788</b>	<b>\$ 91,218,226</b>	<b>\$ 96,129,213</b>	<b>\$ 93,351,157</b>	<b>\$ 2,132,931</b>	<b>2.3%</b>

# Human Services

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Human Services, Department of</u></b>						
<b>Economic Assistance</b>						
Family Investment Program	\$ 34,290,000	\$ 35,545,738	\$ 39,222,157	\$ 36,798,958	\$ 1,253,220	3.5%
Emergency Assistance	10,000	10,000	10,000	10,000	0	0.0%
Child Support Recoveries	6,831,433	6,817,702	7,465,102	6,817,702	0	0.0%
<b>Total Economic Assistance</b>	<b>41,131,433</b>	<b>42,373,440</b>	<b>46,697,259</b>	<b>43,626,660</b>	<b>1,253,220</b>	<b>3.0%</b>
<b>Medical Services</b>						
Medical Assistance	415,455,590	400,662,028	476,316,579	436,000,000	35,337,972	8.8%
Pharmaceutical Case Mgmt Study	0	414,000	0	0	-414,000	-100.0%
Health Insurance Premium Pmt.	398,024	438,384	458,023	438,384	0	0.0%
State Children's Health Ins.	10,250,000	4,984,508	10,822,444	10,807,951	5,823,443	116.8%
Medical Contracts	7,659,250	8,426,282	9,680,157	9,122,557	696,275	8.3%
State Supplementary Assistance	20,400,000	19,985,747	19,991,314	19,568,106	-417,641	-2.1%
<b>Total Medical Services</b>	<b>454,162,864</b>	<b>434,910,949</b>	<b>517,268,517</b>	<b>475,936,998</b>	<b>41,026,049</b>	<b>9.4%</b>
<b>Child and Family Services</b>						
Child Care Services	5,050,750	5,050,752	22,609,813	5,050,752	0	0.0%
Toledo Juvenile Home	6,395,045	6,533,335	6,858,419	6,695,699	162,364	2.5%
Eldora Training School	9,447,822	10,809,260	11,224,038	10,990,694	181,434	1.7%
Child and Family Services	107,262,160	108,788,161	123,770,896	113,971,633	5,183,472	4.8%
Community Based Services	1,011,285	281,415	285,352	281,415	0	0.0%
Family Support Subsidy	1,787,000	2,028,215	2,075,768	2,089,858	61,643	3.0%
Reactive Attachment Disorder	60,000	0	0	0	0	
<b>Total Child and Family Services</b>	<b>131,014,062</b>	<b>133,491,138</b>	<b>166,824,286</b>	<b>139,080,051</b>	<b>5,588,913</b>	<b>4.2%</b>
<b>MH/MR/DD/BI</b>						
Conners Training	46,000	46,000	46,000	46,000	0	0.0%
Cherokee Mental Health Inst.	12,848,665	13,407,299	13,755,538	13,620,373	213,074	1.6%
Clarinda Mental Health Inst.	7,302,953	7,533,961	7,838,926	7,732,790	198,829	2.6%

# Human Services

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Human Services, Department of (cont.)</u></b>						
<b>MH/MR/DD/BI (cont.)</b>						
Independence Mental Health Ins	17,662,667	17,747,773	18,619,062	18,126,697	378,924	2.1%
Mt. Pleasant Mental Health Ins	5,416,612	5,779,175	5,936,126	5,780,303	1,128	0.0%
Glenwood Resource Center	3,229,931	3,735,483	2,890,804	2,658,458	-1,077,025	-28.8%
Woodward Resource Center	2,355,641	2,603,836	1,946,742	1,813,936	-789,900	-30.3%
MI/MR/DD Special Services	121,220	121,220	121,220	0	-121,220	-100.0%
DD Special Needs Grants	53,212	53,212	53,212	53,212	0	0.0%
MI/MR State Cases	10,090,000	13,308,845	14,729,825	14,500,000	1,191,155	9.0%
MH/DD Community Services	17,560,000	19,560,000	19,908,829	19,560,000	0	0.0%
Personal Assistance	364,000	364,000	364,000	364,000	0	0.0%
Sexual Predator Civil Commit.	1,264,470	1,201,212	1,716,783	1,674,370	473,158	39.4%
MH/DD Growth Factor	18,126,362	20,982,446	26,492,712	26,492,712	5,510,266	26.3%
POS Increase	2,000,000	0	0	0	0	
<b>Total MH/MR/DD/BI</b>	<b>98,441,733</b>	<b>106,444,462</b>	<b>114,419,779</b>	<b>112,422,851</b>	<b>5,978,389</b>	<b>5.6%</b>
<b>Managing and Delivering Services</b>						
Field Operations	49,335,290	47,499,574	62,570,644	58,623,333	11,123,759	23.4%
General Administration	14,377,775	15,409,095	15,984,809	15,570,102	161,007	1.0%
Volunteers	118,250	118,250	133,971	118,250	0	0.0%
Regional Offices		5,882,481			-5,882,481	-100.0%
<b>Total Managing and Delivering Services</b>	<b>63,831,315</b>	<b>68,909,400</b>	<b>78,689,424</b>	<b>74,311,685</b>	<b>5,402,285</b>	<b>7.8%</b>
<b>Total Human Services</b>	<b>\$ 788,581,407</b>	<b>\$ 786,129,389</b>	<b>\$ 923,899,265</b>	<b>\$ 845,378,245</b>	<b>\$ 59,248,856</b>	<b>7.5%</b>
Operations	\$ 786,521,407	\$ 785,715,389	\$ 923,899,265	\$ 845,378,245	\$ 59,662,856	7.6%
Grants & Aid	\$ 2,060,000	\$ 414,000	\$ 0	\$ 0	\$ -414,000	-100.0%
	<b>\$ 788,581,407</b>	<b>\$ 786,129,389</b>	<b>\$ 923,899,265</b>	<b>\$ 845,378,245</b>	<b>\$ 59,248,856</b>	<b>7.5%</b>

# Justice System

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Attorney General</u></b>						
General Office A.G.	\$ 8,556,127	\$ 8,746,966	\$ 8,892,331	\$ 8,746,966	\$ 0	0.0%
Legal Services Poverty Grant	700,000	700,000	950,000	950,000	250,000	35.7%
Victim Assistance Grants	1,935,806	1,935,806	1,935,806	2,010,806	75,000	3.9%
Prosecuting Attorney Training	323,431	327,021	327,021	327,021	0	0.0%
Area GASA Prosecuting Attys.	133,654	133,102	133,102	133,102	0	0.0%
Consumer Advocate	2,661,653	2,690,067	2,690,067	2,690,067	0	0.0%
<b>Total Attorney General</b>	<b>\$ 14,310,671</b>	<b>\$ 14,532,962</b>	<b>\$ 14,928,327</b>	<b>\$ 14,857,962</b>	<b>\$ 325,000</b>	<b>2.2%</b>
<b><u>Corrections, Department of</u></b>						
<b>Corrections Central Office</b>						
Central Office Corrections	\$ 3,155,009	\$ 2,480,545	\$ 2,480,545	\$ 2,480,545	\$ 0	0.0%
Iowa Corr. Offender Network	0	600,000	600,000	600,000	0	0.0%
County Confinement	524,038	524,038	1,324,038	432,600	-91,438	-17.4%
Federal Prisoners/Contractual	341,334	341,334	341,334	341,334	0	0.0%
Corrections Education	2,710,775	3,294,775	3,444,775	3,294,775	0	0.0%
Corrections Expansion-Phase II	3,180,815	796,940	0	0	-796,940	-100.0%
Corrections Training Center	486,247	504,934	704,934	504,934	0	0.0%
<b>Total Corrections Central Office</b>	<b>10,398,218</b>	<b>8,542,566</b>	<b>8,895,626</b>	<b>7,654,188</b>	<b>-888,378</b>	<b>-10.4%</b>
<b>Corrections Institutions</b>						
Ft. Madison Inst.	28,946,480	30,825,512	32,689,447	30,446,799	-378,713	-1.2%
Anamosa Inst.	23,536,883	23,999,952	24,468,043	24,415,158	415,206	1.7%
Oakdale Inst.	20,499,682	21,961,745	22,399,908	22,299,908	338,163	1.5%
Newton Inst.	22,561,023	23,453,146	23,767,363	23,767,363	314,217	1.3%
Mt Pleasant Inst.	21,001,039	22,172,976	22,192,522	22,192,522	19,546	0.1%
Rockwell City Inst.	6,916,137	7,362,468	7,418,288	7,418,288	55,820	0.8%
Clarinda Inst.	17,807,672	18,263,634	18,442,768	18,442,768	179,134	1.0%

# Justice System

## General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Corrections, Department of (cont.)</u></b>						
<b>Corrections Institutions (cont.)</b>						
Mitchellville Inst.	11,053,782	12,406,015	12,856,582	12,492,214	86,199	0.7%
Ft. Dodge Inst.	<u>22,043,555</u>	<u>25,852,710</u>	<u>25,963,004</u>	<u>25,963,004</u>	<u>110,294</u>	0.4%
<b>Total Corrections Institutions</b>	<b>174,366,253</b>	<b>186,298,158</b>	<b>190,197,925</b>	<b>187,438,024</b>	<b>1,139,866</b>	<b>0.6%</b>
<b>CBC Districts</b>						
CBC District I	8,505,424	9,132,984	9,572,365	9,472,109	339,125	3.7%
CBC District II	6,837,412	7,169,721	7,510,242	7,407,017	237,296	3.3%
CBC District III	4,125,342	4,404,618	4,471,046	4,500,354	95,736	2.2%
CBC District IV	3,171,976	3,178,085	4,279,392	4,240,315	1,062,230	33.4%
CBC District V	11,593,805	12,280,098	12,873,116	12,863,098	583,000	4.7%
CBC District VI	8,727,582	9,339,025	9,682,764	9,516,514	177,489	1.9%
CBC District VII	5,228,460	5,343,165	5,692,404	5,450,835	107,670	2.0%
CBC District VIII	5,010,424	5,213,347	5,412,323	5,264,765	51,418	1.0%
CBC Statewide	<u>183,576</u>	<u>83,576</u>	<u>83,576</u>	<u>79,948</u>	<u>-3,628</u>	-4.3%
<b>Total CBC Districts</b>	<b><u>53,384,001</u></b>	<b><u>56,144,619</u></b>	<b><u>59,577,228</u></b>	<b><u>58,794,955</u></b>	<b><u>2,650,336</u></b>	<b>4.7%</b>
<b>Total Corrections, Department of</b>	<b><u>\$ 238,148,472</u></b>	<b><u>\$ 250,985,343</u></b>	<b><u>\$ 258,670,779</u></b>	<b><u>\$ 253,887,167</u></b>	<b><u>\$ 2,901,824</u></b>	<b>1.2%</b>
<b><u>Inspections &amp; Appeals, Dept of</u></b>						
Indigent Defense Appropriation	\$ 20,401,376	\$ 21,204,376	\$ 22,702,769	\$ 22,144,920	\$ 940,544	4.4%
Public Defender	<u>13,899,288</u>	<u>14,396,099</u>	<u>15,466,163</u>	<u>15,160,277</u>	<u>764,178</u>	5.3%
<b>Total Inspections &amp; Appeals, Dept of</b>	<b><u>\$ 34,300,664</u></b>	<b><u>\$ 35,600,475</u></b>	<b><u>\$ 38,168,932</u></b>	<b><u>\$ 37,305,197</u></b>	<b><u>\$ 1,704,722</u></b>	<b>4.8%</b>
<b><u>Judicial Branch</u></b>						
Judicial Branch	\$ 108,024,912	\$ 111,913,805	\$ 120,228,487	\$ 120,228,487	\$ 8,314,682	7.4%
Juvenile Vict. Restitution	210,291	210,291	217,491	217,491	7,200	3.4%
Judicial Retirement	<u>4,202,697</u>	<u>4,499,350</u>	<u>4,579,859</u>	<u>4,579,859</u>	<u>80,509</u>	1.8%
<b>Total Judicial Branch</b>	<b><u>\$ 112,437,900</u></b>	<b><u>\$ 116,623,446</u></b>	<b><u>\$ 125,025,837</u></b>	<b><u>\$ 125,025,837</u></b>	<b><u>\$ 8,402,391</u></b>	<b>7.2%</b>

# Justice System

## General Fund

	<u>Actual FY 2000</u> (1)	<u>Estimated FY 2001</u> (2)	<u>Dept Request FY 2002</u> (3)	<u>Gov Recomm FY 2002</u> (4)	<u>Gov. Rec. vs. FY 2001</u> (5)	<u>Percent Change</u> (6)
<b><u>Law Enforcement Academy</u></b>						
Operations	\$ 1,365,029	\$ 1,401,142	\$ 1,599,492	\$ 1,401,142	\$ 0	0.0%
Dare Coordinator	80,000	0	0	0	0	
<b>Total Law Enforcement Academy</b>	<b>\$ 1,445,029</b>	<b>\$ 1,401,142</b>	<b>\$ 1,599,492</b>	<b>\$ 1,401,142</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Parole, Board of</u></b>						
Parole Board	\$ 1,042,404	\$ 1,079,717	\$ 1,104,717	\$ 1,104,717	\$ 25,000	2.3%
<b><u>Public Defense, Department of</u></b>						
<b>Public Defense, Dept. of</b>						
Military Division	\$ 4,822,198	\$ 5,232,749	\$ 5,278,994	\$ 5,237,329	\$ 4,580	0.1%
<b>Emergency Management Division</b>						
Emergency Management Division	941,951	1,060,082	1,128,982	1,060,082	0	0.0%
<b>Total Public Defense, Department of</b>	<b>\$ 5,764,149</b>	<b>\$ 6,292,831</b>	<b>\$ 6,407,976</b>	<b>\$ 6,297,411</b>	<b>\$ 4,580</b>	<b>0.1%</b>
<b><u>Public Safety, Department of</u></b>						
Medical Injuries - DPS Custody	\$ 0	\$ 2,820	\$ 0	\$ 3,000	\$ 180	6.4%
Public Safety Administration	2,553,129	2,629,511	2,777,336	2,693,985	64,474	2.5%
Investigation, DCI	12,003,898	12,890,193	14,148,900	13,386,778	496,585	3.9%
Undercover Funds	139,202	139,202	139,202	139,202	0	0.0%
Narcotics Enforcement	3,892,133	4,206,474	5,145,076	4,805,642	599,168	14.2%
Fire Marshal	1,710,617	2,003,539	2,261,204	2,033,849	30,310	1.5%
Capitol Security	1,354,688	1,391,412	0	0	-1,391,412	-100.0%
Iowa State Patrol	38,099,720	39,457,393	43,570,328	41,275,533	1,818,140	4.6%
DPS/SPOC Sick Leave Payout	0	0	309,000	309,000	309,000	
AFIS System Maintenance	269,425	269,425	300,409	300,409	30,984	11.5%

# Justice System

## General Fund

	<u>Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Dept Request FY 2002</u>	<u>Gov Recomm FY 2002</u>	<u>Gov. Rec. vs. FY 2001</u>	<u>Percent Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Public Safety, Department of (cont.)</u></b>						
Fire Fighter Training	709,405	714,690	814,747	714,690	0	0.0%
Fire Service	0	606,460	653,460	710,851	104,391	17.2%
<b>Total Public Safety, Department of</b>	<b>\$ 60,732,217</b>	<b>\$ 64,311,119</b>	<b>\$ 70,119,662</b>	<b>\$ 66,372,939</b>	<b>\$ 2,061,820</b>	<b>3.2%</b>
<b>Total Justice System</b>	<b>\$ 468,181,506</b>	<b>\$ 490,827,035</b>	<b>\$ 516,025,722</b>	<b>\$ 506,252,372</b>	<b>\$ 15,425,337</b>	<b>3.1%</b>
Operations	\$ 464,946,693	\$ 487,005,402	\$ 511,256,909	\$ 502,521,997	\$ 15,516,595	3.2%
Grants & Aid	\$ 3,234,813	\$ 3,818,813	\$ 4,768,813	\$ 3,727,375	\$ -91,438	-2.4%
Standing	\$ 0	\$ 2,820	\$ 0	\$ 3,000	\$ 180	6.4%
	<b>\$ 468,181,506</b>	<b>\$ 490,827,035</b>	<b>\$ 516,025,722</b>	<b>\$ 506,252,372</b>	<b>\$ 15,425,337</b>	<b>3.1%</b>

## Trans., Infra., Capitals General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Transportation, Department of</u></b>						
Rail Assistance	\$ 1,424,672	\$ 662,000	\$ 1,425,000	\$ 662,000	\$ 0	0.0%
Aviation Assistance	2,500,000	2,475,000	2,475,000	2,475,000	0	0.0%
Planning & Programming		2,443			-2,443	-100.0%
<b>Total Transportation, Department of</b>	<b>\$ 3,924,672</b>	<b>\$ 3,139,443</b>	<b>\$ 3,900,000</b>	<b>\$ 3,137,000</b>	<b>\$ -2,443</b>	<b>-0.1%</b>
<b>Total Trans., Infra., &amp; Capitals</b>	<b>\$ 3,924,672</b>	<b>\$ 3,139,443</b>	<b>\$ 3,900,000</b>	<b>\$ 3,137,000</b>	<b>\$ -2,443</b>	<b>-0.1%</b>
Operations	\$ 0	\$ 2,443	\$ 0	\$ 0	\$ -2,443	-100.0%
Grants & Aid	\$ 3,924,672	\$ 3,137,000	\$ 3,900,000	\$ 3,137,000	\$ 0	0.0%
	<b>\$ 3,924,672</b>	<b>\$ 3,139,443</b>	<b>\$ 3,900,000</b>	<b>\$ 3,137,000</b>	<b>\$ -2,443</b>	<b>-0.1%</b>

# Oversight and Communication

## General Fund

	<u>Actual</u> <u>FY 2000</u> <u>(1)</u>	<u>Estimated</u> <u>FY 2001</u> <u>(2)</u>	<u>Dept Request</u> <u>FY 2002</u> <u>(3)</u>	<u>Gov Recomm</u> <u>FY 2002</u> <u>(4)</u>	<u>Gov. Rec. vs.</u> <u>FY 2001</u> <u>(5)</u>	<u>Percent</u> <u>Change</u> <u>(6)</u>
<b><u>Education, Department of</u></b>						
IPTV - Regional Councils	\$ 2,291,595	\$ 2,179,718	\$ 2,769,809	\$ 2,144,501	\$ -35,217	-1.6%
<b><u>IA Telecommun &amp; Technology Commission</u></b>						
ICN Operations/Edu. Subsidy	\$ 3,435,000	\$ 3,181,920	\$ 5,328,217	\$ 3,217,137	\$ 35,217	1.1%
<b><u>Information Technology, Dept. of</u></b>						
ITD Transition Team	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	
ITD Operations	4,789,863	4,656,371	4,656,371	4,656,371	0	0.0%
<b>Total Information Technology, Dept. of</b>	<b>\$ 4,989,863</b>	<b>\$ 4,656,371</b>	<b>\$ 4,656,371</b>	<b>\$ 4,656,371</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Treasurer of State</u></b>						
ICN Debt Service	\$ 12,861,000	\$ 12,860,000	\$ 12,805,000	\$ 12,805,000	\$ -55,000	-0.4%
<b>Total Oversight and Communication</b>	<b>\$ 23,577,458</b>	<b>\$ 22,878,009</b>	<b>\$ 25,559,397</b>	<b>\$ 22,823,009</b>	<b>\$ -55,000</b>	<b>-0.2%</b>
Operations	\$ 23,577,458	\$ 22,878,009	\$ 25,559,397	\$ 22,823,009	\$ -55,000	-0.2%
	<u>\$ 23,577,458</u>	<u>\$ 22,878,009</u>	<u>\$ 25,559,397</u>	<u>\$ 22,823,009</u>	<u>\$ -55,000</u>	<u>-0.2%</u>

# Unassigned Standing

## General Fund

	<u>Actual</u> <u>FY 2000</u> <u>(1)</u>	<u>Estimated</u> <u>FY 2001</u> <u>(2)</u>	<u>Dept Request</u> <u>FY 2002</u> <u>(3)</u>	<u>Gov Recomm</u> <u>FY 2002</u> <u>(4)</u>	<u>Gov. Rec. vs.</u> <u>FY 2001</u> <u>(5)</u>	<u>Percent</u> <u>Change</u> <u>(6)</u>
<b><u>Corrections, Department of</u></b>						
State Cases	\$ 0	\$ 66,370	\$ 66,370	\$ 66,370	\$ 0	0.0%
<b><u>Education, Department of</u></b>						
Child Development	\$ 15,358,469	\$ 12,560,000	\$ 12,560,000	\$ 12,560,000	\$ 0	0.0%
Instructional Support	14,798,227	14,798,227	14,798,227	14,798,227	0	0.0%
School Foundation Aid	1,696,505,094	1,747,500,000	1,747,500,000	1,806,500,000	59,000,000	3.4%
Transportation/Nonpublic	8,010,644	8,150,000	8,450,000	8,150,000	0	0.0%
Educational Excellence	82,466,086	80,891,336	80,891,336	80,891,336	0	0.0%
Technology/School Improvement	30,000,000	30,000,000	30,000,000	30,000,000	0	0.0%
Early Intervention Block Grant	10,000,000	20,000,000	30,000,000	30,000,000	10,000,000	50.0%
<b>Total Education, Department of</b>	<b>\$ 1,857,138,520</b>	<b>\$ 1,913,899,563</b>	<b>\$ 1,924,199,563</b>	<b>\$ 1,982,899,563</b>	<b>\$ 69,000,000</b>	<b>3.6%</b>
<b><u>Executive Council</u></b>						
Court Costs	\$ 27,304	\$ 75,000	\$ 75,000	\$ 75,000	\$ 0	0.0%
Public Improvements	0	50,000	50,000	50,000	0	0.0%
Performance of Duty	4,999,672	2,500,000	2,500,000	2,500,000	0	0.0%
Drainage Assessment	15,020	25,000	25,000	25,000	0	0.0%
<b>Total Executive Council</b>	<b>\$ 5,041,996</b>	<b>\$ 2,650,000</b>	<b>\$ 2,650,000</b>	<b>\$ 2,650,000</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Legislative Branch</u></b>						
<b><u>Legislature</u></b>						
House of Representatives	\$ 8,015,938	\$ 8,744,673	\$ 8,564,300	\$ 8,564,300	\$ -180,373	-2.1%
Senate	5,255,368	5,662,907	5,974,632	5,974,632	311,725	5.5%
Joint Expenses	269,200	855,000	855,000	855,000	0	0.0%
Citizens' Aide	881,190	1,009,985	1,088,504	1,088,504	78,519	7.8%
Leg. Computer Support Bureau	2,330,267	2,511,184	2,717,080	2,717,080	205,896	8.2%
Legislative Fiscal Bureau	2,183,013	2,251,857	2,454,500	2,454,500	202,643	9.0%

## Unassigned Standing General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Legislative Branch (cont.)</u></b>						
<b>Legislature (cont.)</b>						
Legislative Service Bureau	4,104,005	5,279,100	4,699,000	4,699,000	-580,100	-11.0%
Administrative Rules Revw Comm	<u>107,786</u>	<u>124,212</u>	<u>124,212</u>	<u>124,212</u>	<u>0</u>	0.0%
<b>Total Legislature</b>	<b>23,146,767</b>	<b>26,438,918</b>	<b>26,477,228</b>	<b>26,477,228</b>	<b>38,310</b>	<b>0.1%</b>
<b>House of Representatives</b>						
Natl Conf of State Legislature	101,393	104,314	107,077	107,077	2,763	2.6%
Amer Leg. Exchange Council	7,500	0	7,500	7,500	7,500	
Nat Conf Insurance Legislators	<u>5,000</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	
<b>Total House of Representatives</b>	<b>113,893</b>	<b>104,314</b>	<b>119,577</b>	<b>119,577</b>	<b>15,263</b>	<b>14.6%</b>
<b>Uniform State Laws</b>						
Uniform State Laws Commission	<u>24,000</u>	<u>25,886</u>	<u>25,886</u>	<u>25,886</u>	<u>0</u>	0.0%
<b>Total Legislative Branch</b>	<b>\$ 23,284,660</b>	<b>\$ 26,569,118</b>	<b>\$ 26,622,691</b>	<b>\$ 26,622,691</b>	<b>\$ 53,573</b>	<b>0.2%</b>
<b><u>Governor</u></b>						
Interstate Extradition Expense	\$ 0	\$ 4,000	\$ 4,000	\$ 4,000	\$ 0	0.0%
<b><u>Human Services, Department of</u></b>						
Commission of Inquiry	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 0	0.0%
Non Resident Transfer Mentally	87	87	87	87	0	0.0%
Non Resident Commitment	184,398	184,398	184,398	184,398	0	0.0%
MH Property Tax Relief	<u>95,000,000</u>	<u>95,000,000</u>	<u>95,000,000</u>	<u>95,000,000</u>	<u>0</u>	0.0%
<b>Total Human Services, Department of</b>	<b>\$ 95,186,285</b>	<b>\$ 95,186,285</b>	<b>\$ 95,186,285</b>	<b>\$ 95,186,285</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Inspections &amp; Appeals, Dept of</u></b>						
Poultry Show Exhibit Reimb	\$ 500	\$ 500	\$ 500	\$ 500	\$ 0	0.0%

## Unassigned Standing General Fund

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Management, Department of</u></b>						
Special Olympics Fund	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0	0.0%
Indian Settlement Officer	25,000	25,000	25,000	0	-25,000	-100.0%
Appeal Board	8,337,765	7,500,000	7,500,000	7,500,000	0	0.0%
<b>Total Management, Department of</b>	<b>\$ 8,392,765</b>	<b>\$ 7,555,000</b>	<b>\$ 7,555,000</b>	<b>\$ 7,530,000</b>	<b>\$ -25,000</b>	<b>-0.3%</b>
<b><u>Public Defense, Department of</u></b>						
Compensation & Expense	\$ 184,900	\$ 110,000	\$ 110,000	\$ 110,000	\$ 0	0.0%
<b><u>Revenue and Finance, Dept. of</u></b>						
Machinery/equip Prop Tax Repl	\$ 23,659,023	\$ 41,400,000	\$ 27,800,000	\$ 27,800,000	\$ -13,600,000	-32.9%
Ag Land Tax Credit	39,100,000	39,100,000	39,100,000	39,100,000	0	0.0%
Livestock Producers Credit	2,000,000	2,000,000	2,000,000	2,000,000	0	0.0%
Property Tax Replacement	56,287,557	56,287,557	56,287,557	56,287,557	0	0.0%
Federal Cash Management	336,591	400,000	600,000	600,000	200,000	50.0%
Printing Cigarette Stamps	123,228	122,000	133,550	133,550	11,550	9.5%
Homestead Tax Credit Aid	112,017,234	112,500,000	112,900,000	112,900,000	400,000	0.4%
Elderly & Disabled Prop Tax Cr	14,989,715	15,500,000	16,000,000	16,000,000	500,000	3.2%
Municpl Fire & Police Retire	2,942,724	2,942,726	2,942,726	0	-2,942,726	-100.0%
Unemployment Comp - State	309,069	353,000	353,000	353,000	0	0.0%
Collection Agencies Reimburse	-189,063	0	0	0	0	
Franchise Tax Reimbursement	8,799,409	8,800,000	8,800,000	8,800,000	0	0.0%
Military Service Tax Credit	2,651,509	2,700,000	2,700,000	2,700,000	0	0.0%
<b>Total Revenue and Finance, Dept. of</b>	<b>\$ 263,026,996</b>	<b>\$ 282,105,283</b>	<b>\$ 269,616,833</b>	<b>\$ 266,674,107</b>	<b>\$ -15,431,176</b>	<b>-5.5%</b>
<b><u>Secretary of State</u></b>						
Iowa Servicemens Ballot Comm	\$ 2,590	\$ 0	\$ 3,500	\$ 3,500	\$ 3,500	
Constitutional Amendments	10,766	2,565	0	0	-2,565	-100.0%
<b>Total Secretary of State</b>	<b>\$ 13,356</b>	<b>\$ 2,565</b>	<b>\$ 3,500</b>	<b>\$ 3,500</b>	<b>\$ 935</b>	<b>36.5%</b>

# Unassigned Standing

## General Fund

	<u>Actual</u> <u>FY 2000</u> <u>(1)</u>	<u>Estimated</u> <u>FY 2001</u> <u>(2)</u>	<u>Dept Request</u> <u>FY 2002</u> <u>(3)</u>	<u>Gov Recomm</u> <u>FY 2002</u> <u>(4)</u>	<u>Gov. Rec. vs.</u> <u>FY 2001</u> <u>(5)</u>	<u>Percent</u> <u>Change</u> <u>(6)</u>
<b><u>Transportation, Department of</u></b>						
Public Transit Assistance	\$ 10,478,428	\$ 10,997,000	\$ 10,997,000	\$ 10,997,000	\$ 0	0.0%
<b>Total Unassigned Standing</b>	<b>\$ 2,262,748,406</b>	<b>\$ 2,339,145,684</b>	<b>\$ 2,337,011,742</b>	<b>\$ 2,392,744,016</b>	<b>\$ 53,598,332</b>	<b>2.3%</b>
Operations	\$ 45,496,362	\$ 42,690,200	\$ 42,705,463	\$ 42,705,463	\$ 15,263	0.0%
Grants & Aid	\$ 92,466,086	\$ 100,891,336	\$ 110,891,336	\$ 110,891,336	\$ 10,000,000	9.9%
Standing	\$ 2,124,785,958	\$ 2,195,564,148	\$ 2,183,414,943	\$ 2,239,147,217	\$ 43,583,069	2.0%
	<b>\$ 2,262,748,406</b>	<b>\$ 2,339,145,684</b>	<b>\$ 2,337,011,742</b>	<b>\$ 2,392,744,016</b>	<b>\$ 53,598,332</b>	<b>2.3%</b>

# Summary Data

## Non General Fund

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
Administration and Regulation	\$ 23,193,790	\$ 29,405,031	\$ 35,359,948	\$ 22,510,300	\$ -6,894,731	-23.4%
Ag. and Natural Resources	\$ 29,475,402	\$ 62,610,962	\$ 68,357,015	\$ 79,294,547	\$ 16,683,585	26.6%
Economic Development	\$ 15,184,158	\$ 19,701,000	\$ 21,161,020	\$ 18,249,078	\$ -1,451,922	-7.4%
Education	\$ 500,000	\$ 0	\$ 22,200,000	\$ 0	\$ 0	
Health and Human Rights	\$ 4,767,269	\$ 32,163,248	\$ 32,754,608	\$ 33,476,508	\$ 1,313,260	4.1%
Human Services	\$ 8,474,531	\$ 73,125,034	\$ 62,476,583	\$ 79,958,122	\$ 6,833,088	9.3%
Justice System	\$ 6,948,338	\$ 5,650,000	\$ 6,236,176	\$ 5,000,000	\$ -650,000	-11.5%
Trans., Infra., & Capitals	\$ 425,786,994	\$ 397,739,752	\$ 559,649,966	\$ 367,746,216	\$ -29,993,536	-7.5%
Oversight and Communication	\$ 9,531,685	\$ 2,727,004	\$ 29,215,550	\$ 21,227,004	\$ 18,500,000	678.4%
Unassigned Standing	\$ 6,646,000	\$ 3,895,250	\$ 2,727,500	\$ 2,727,500	\$ -1,167,750	-30.0%
<b>Grand Total</b>	<b>\$ 530,508,167</b>	<b>\$ 627,017,281</b>	<b>\$ 840,138,366</b>	<b>\$ 630,189,275</b>	<b>\$ 3,171,994</b>	<b>0.5%</b>

# Administration and Regulation

## Non General Fund

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Commerce, Department of</u></b>						
<b>Alcoholic Beverages</b>						
Licensee Education	\$ 0	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000	
<b>Department of Commerce</b>						
Professional Licensing	0	62,317	62,317	62,317	0	0.0%
<b>Total Commerce, Department of</b>	<b>\$ 0</b>	<b>\$ 62,317</b>	<b>\$ 87,317</b>	<b>\$ 87,317</b>	<b>\$ 25,000</b>	<b>40.1%</b>
<b><u>General Services, Dept. of</u></b>						
Centralized Purchasing Divsn	\$ 996,098	\$ 1,036,522	\$ 1,119,022	\$ 1,059,022	\$ 22,500	2.2%
Vehicle Dispatcher Division	793,327	847,776	847,776	847,776	0	0.0%
Central Print Division	1,062,129	1,098,927	1,098,927	1,098,927	0	0.0%
<b>Total General Services, Dept. of</b>	<b>\$ 2,851,554</b>	<b>\$ 2,983,225</b>	<b>\$ 3,065,725</b>	<b>\$ 3,005,725</b>	<b>\$ 22,500</b>	<b>0.8%</b>
<b><u>Governor</u></b>						
Governor-Technology Upgrades	\$ 45,000	\$ 0	\$ 0	\$ 0	\$ 0	
<b><u>Inspections &amp; Appeals, Dept of</u></b>						
Administrative Hearings Div.	\$ 1,120,142	\$ 1,150,421	\$ 1,150,421	\$ 1,150,421	\$ 0	0.0%
Single Contact Repository	152,000	0	0	0	0	
Report Card on Health Care Fac	50,000	0	0	0	0	
<b>Total Inspections &amp; Appeals, Dept of</b>	<b>\$ 1,322,142</b>	<b>\$ 1,150,421</b>	<b>\$ 1,150,421</b>	<b>\$ 1,150,421</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Management, Department of</u></b>						
General Office - RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	0.0%
C.L.E.A.N. - Iowa 2010	0	78,280	0	0	-78,280	-100.0%
Youth Conference - Iowa 2010	0	939	0	0	-939	-100.0%
Study On Homeless - Iowa 2010	0	396	0	0	-396	-100.0%
Enterprise Resource Plan.	0	0	11,155,000	0	0	

# Administration and Regulation

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Management, Department of (cont.)</u></b>						
Primary Road Salary Adjustment	2,504,860	5,682,160	0	0	-5,682,160	-100.0%
Road Use Tax Salary Adjustment	202,808	1,113,641	0	0	-1,113,641	-100.0%
<b>Total Management, Department of</b>	<b>\$ 2,763,668</b>	<b>\$ 6,931,416</b>	<b>\$ 11,211,000</b>	<b>\$ 56,000</b>	<b>\$ -6,875,416</b>	<b>-99.2%</b>
<b><u>Personnel, Department of</u></b>						
<b>Personnel, Department of</b>						
Health Insurance Reform Prog.		\$ 544,026	\$ 275,000	\$ 275,000	\$ -269,026	-49.5%
Primary Road HR Bureau	410,100	410,100	410,100		-410,100	-100.0%
Road Use Tax HR Bureau	66,760	66,760	66,760	66,760	0	0.0%
Ready to Work Program		89,416			-89,416	-100.0%
<b>Total Personnel, Department of</b>	<b>476,860</b>	<b>1,110,302</b>	<b>751,860</b>	<b>341,760</b>	<b>-768,542</b>	<b>-69.2%</b>
<b>IDOP - Retirement</b>						
IPERS Administration	5,336,914	5,688,002	8,786,218	7,998,070	2,310,068	40.6%
IPERS Management Inform System	1,477,832	1,338,030	0	0	-1,338,030	-100.0%
IPERS One Times - HF 2545	0	530,411	0	410,100	-120,311	-22.7%
IPERS Structure & Governance	0	150,000	0	0	-150,000	-100.0%
<b>Total IDOP - Retirement</b>	<b>6,814,746</b>	<b>7,706,443</b>	<b>8,786,218</b>	<b>8,408,170</b>	<b>701,727</b>	<b>9.1%</b>
<b>Total Personnel, Department of</b>	<b>\$ 7,291,606</b>	<b>\$ 8,816,745</b>	<b>\$ 9,538,078</b>	<b>\$ 8,749,930</b>	<b>\$ -66,815</b>	<b>-0.8%</b>
<b><u>Revenue and Finance, Dept. of</u></b>						
<b>Revenue and Finance, Dept. of</b>						
Electronic Tax System Redesign	\$ 0	\$ 0	\$ 846,500	\$ 0	\$ 0	
Tax & Wage Reporting System	98,204	0	0	0	0	
Tele-Filing Tax Returns	24,777	0	0	0	0	
MVFT - Administration	1,092,819	1,017,849	1,017,849	1,017,849	0	0.0%
<b>Total Revenue and Finance, Dept. of</b>	<b>1,215,800</b>	<b>1,017,849</b>	<b>1,864,349</b>	<b>1,017,849</b>	<b>0</b>	<b>0.0%</b>

# Administration and Regulation

## Non General Fund

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>Revenue and Finance, Dept. of (cont.)</u></b>						
<b>Lottery Division</b>						
Lottery Operations	7,704,020	8,443,058	8,443,058	8,443,058	0	0.0%
<b>Total Revenue and Finance, Dept. of</b>	<b>\$ 8,919,820</b>	<b>\$ 9,460,907</b>	<b>\$ 10,307,407</b>	<b>\$ 9,460,907</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>Total Administration and Regulation</b>	<b>\$ 23,193,790</b>	<b>\$ 29,405,031</b>	<b>\$ 35,359,948</b>	<b>\$ 22,510,300</b>	<b>\$ -6,894,731</b>	<b>-23.4%</b>

# Ag. and Natural Resources

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Agriculture &amp; Land Stewardship</u></b>						
<b>Agriculture &amp; Land Stewardship</b>						
Regulatory Division	\$ 296,307	\$ 271,307	\$ 271,307	\$ 271,307	\$ 0	0.0%
Slide In Test Equip	0	0	25,800	0	0	
DALS E-Commerce Ag	0	0	1,610,253	0	0	
DALS Information Mgmt System	0	0	80,000	0	0	
Renewable Fuels - DALS	0	0	400,000	400,000	400,000	
Agriculture/Regulatory	61,475	0	0	0	0	
Livestock Disease Research	44,670	0	0	0	0	
<b>Total Agriculture &amp; Land Stewardship</b>	<b>402,452</b>	<b>271,307</b>	<b>2,387,360</b>	<b>671,307</b>	<b>400,000</b>	<b>147.4%</b>
<b>Environment First Fund</b>						
Loess Hills Dev/cons Auth Fy02	0	0	0	1,000,000	1,000,000	
Agricultural Drainage Wells	0	0	0	500,000	500,000	
Flood Water Erosion Control	0	1,450,000	0	2,700,000	1,250,000	86.2%
Farm Management Demonstration	0	850,000	850,000	850,000	0	0.0%
Projects Grants Assistance	0	50,000	0	0	-50,000	-100.0%
Reclamation Plans	0	50,000	0	0	-50,000	-100.0%
Cost Share	0	2,000,000	2,000,000	1,500,000	-500,000	-25.0%
Conservation Reserve Program	0	1,500,000	1,500,000	1,500,000	0	0.0%
Conservation Reserve Enhance	0	1,500,000	1,500,000	1,500,000	0	0.0%
<b>Total Environment First Fund</b>	<b>0</b>	<b>7,400,000</b>	<b>5,850,000</b>	<b>9,550,000</b>	<b>2,150,000</b>	<b>29.1%</b>
<b>Rebuild Iowa Infrastructure Fund</b>						
Soil Cost Share - 01	0	0	0	5,500,000	5,500,000	
<b>Total Agriculture &amp; Land Stewardship</b>	<b>\$ 402,452</b>	<b>\$ 7,671,307</b>	<b>\$ 8,237,360</b>	<b>\$ 15,721,307</b>	<b>\$ 8,050,000</b>	<b>104.9%</b>

# Ag. and Natural Resources

## Non General Fund

	<u>Actual</u> <u>FY 2000</u>	<u>Estimated</u> <u>FY 2001</u>	<u>Dept Request</u> <u>FY 2002</u>	<u>Gov Recomm</u> <u>FY 2002</u>	<u>Gov. Rec. vs.</u> <u>FY 2001</u>	<u>Percent</u> <u>Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Natural Resources, Department of</u></b>						
<b>Natural Resources</b>						
Natural Resources Dept. Ops.	\$ 27,572,950	\$ 30,139,655	\$ 30,339,655	\$ 26,458,240	\$ -3,681,415	-12.2%
Boat Registration Fees To F&G	1,400,000	1,400,000	1,400,000	1,400,000	0	0.0%
Snowmobile Fees To F&G Fund	100,000	100,000	100,000	100,000	0	0.0%
Oil Overcharge (EXXON)	0	0	98,000	0	0	
Oil Overcharge (Stripper Well)	0	0	332,000	0	0	
<b>Total Natural Resources</b>	<b>29,072,950</b>	<b>31,639,655</b>	<b>32,269,655</b>	<b>27,958,240</b>	<b>-3,681,415</b>	<b>-11.6%</b>
<b>Environment First Fund</b>						
Wastewater Systems Assistance	0	600,000	0	0	-600,000	-100.0%
GIS Information for Watershed	0	195,000	195,000	195,000	0	0.0%
Water Quality Monitoring	0	1,950,000	3,000,000	3,000,000	1,050,000	53.8%
Volunteers & Keepers of Land	0	70,000	130,000	130,000	60,000	85.7%
Water Quality Standards	0	372,000	0	0	-372,000	-100.0%
Pollutant Discharge Eliminate	0	250,000	250,000	250,000	0	0.0%
Floodplain Protection	0	200,000	200,000	200,000	0	0.0%
Total Maximum Daily Load	0	153,000	0	0	-153,000	-100.0%
Lake Dredging	0	2,900,000	2,900,000	500,000	-2,400,000	-82.8%
Trees Planting Program	0	250,000	250,000	0	-250,000	-100.0%
Lewis & Clark Water System	0	60,000	0	0	-60,000	-100.0%
Waste Tire Abatement	0	500,000	500,000	500,000	0	0.0%
Recreational Grants	0	3,000,000	3,000,000	3,000,000	0	0.0%
Marine Fuel Tax Projects	0	2,300,000	2,300,000	2,300,000	0	0.0%
REAP	0	10,500,000	15,000,000	12,500,000	2,000,000	19.0%
Land Forms & Eco System	0	0	125,000	125,000	125,000	
GW Environ. Projects				12,915,000	12,915,000	
<b>Total Environment First Fund</b>	<b>0</b>	<b>23,300,000</b>	<b>27,850,000</b>	<b>35,615,000</b>	<b>12,315,000</b>	<b>52.9%</b>
<b>Total Natural Resources, Department of</b>	<b>\$ 29,072,950</b>	<b>\$ 54,939,655</b>	<b>\$ 60,119,655</b>	<b>\$ 63,573,240</b>	<b>\$ 8,633,585</b>	<b>15.7%</b>
<b>Total Ag. and Natural Resources</b>	<b>\$ 29,475,402</b>	<b>\$ 62,610,962</b>	<b>\$ 68,357,015</b>	<b>\$ 79,294,547</b>	<b>\$ 16,683,585</b>	<b>26.6%</b>

# Economic Development

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Economic Development, Dept. of</u></b>						
Workforce Dev. Approp.	\$ 7,083,158	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 0	0.0%
Brownfields Redevelopment Prog	0	3,000,000	3,000,000	1,500,000	-1,500,000	-50.0%
<b>Total Economic Development, Dept. of</b>	<b>\$ 7,083,158</b>	<b>\$ 11,000,000</b>	<b>\$ 11,000,000</b>	<b>\$ 9,500,000</b>	<b>\$ -1,500,000</b>	<b>-13.6%</b>
<b><u>Iowa Workforce Development</u></b>						
Workers' Comp. Division	\$ 175,000	\$ 471,000	\$ 471,000	\$ 471,000	\$ 0	0.0%
Labor Division	296,000	0	0	0	0	
Making Connections	0	0	30,000	0	0	
Employment Statistics	0	0	0	67,078	67,078	
Labor Management Coord.	0	0	0	30,000	30,000	
Target Alliance	30,000	30,000	0	0	-30,000	-100.0%
P & I Projects	0	540,000	540,000	540,000	0	0.0%
P&I Immigration Service Center	0	160,000	320,000	160,000	0	0.0%
P & I Mass Filings	100,000	0	0	0	0	
UI Tax System Upgrade	0	0	1,300,000	0	0	
Job Service ACS Admin. Fund	7,500,000	7,500,000	7,481,000	7,481,000	-19,000	-0.3%
<b>Total Iowa Workforce Development</b>	<b>\$ 8,101,000</b>	<b>\$ 8,701,000</b>	<b>\$ 10,142,000</b>	<b>\$ 8,749,078</b>	<b>\$ 48,078</b>	<b>0.6%</b>
<b><u>Public Employment Relations Board</u></b>						
PERB Technology	\$ 0	\$ 0	\$ 19,020	\$ 0	\$ 0	
<b>Total Economic Development</b>	<b>\$ 15,184,158</b>	<b>\$ 19,701,000</b>	<b>\$ 21,161,020</b>	<b>\$ 18,249,078</b>	<b>\$ -1,451,922</b>	<b>-7.4%</b>

# Education

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Education, Department of</u></b>						
<b>Education, Dept. of</b>						
Electronic Data Interchange	\$ 500,000	\$ 0	\$ 200,000	\$ 0	\$ 0	
<b>Iowa Public Television</b>						
DTV Conversion	<u>0</u>	<u>0</u>	<u>22,000,000</u>	<u>0</u>	<u>0</u>	
<b>Total Education, Department of</b>	<u>\$ 500,000</u>	<u>\$ 0</u>	<u>\$ 22,200,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	
<b>Total Education</b>	<u><u>\$ 500,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 22,200,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	

# Health and Human Rights

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Elder Affairs, Department of</u></b>						
Aging Programs - SLTF	\$ 0	\$ 4,188,123	\$ 4,897,626	\$ 5,067,626	\$ 879,503	21.0%
	0	0	40,000	0	0	
Computer Software and Hardware	40,000	0	0	0	0	
<b>Total Elder Affairs, Department of</b>	<b>\$ 40,000</b>	<b>\$ 4,188,123</b>	<b>\$ 4,937,626</b>	<b>\$ 5,067,626</b>	<b>\$ 879,503</b>	<b>21.0%</b>
<b><u>Health, Department of Public</u></b>						
Addictive Disorders-Gamblers Treatment	\$ 525,000	\$ 3,382,000	\$ 3,653,488	\$ 3,653,488	\$ 271,488	8.0%
Child and Adolescent Wellness	0	50,000	0	0	-50,000	-100.0%
Community Capacity - Tbco	0	0	1,500,000	1,500,000	1,500,000	
Elderly Wellness	0	400,000	0	0	-400,000	-100.0%
Environmental Hazards	20,000	20,000	20,000	0	-20,000	-100.0%
IDPH IT Projects	0	0	20,000	0	0	
Gambling Treatment Program	3,660,000	0	0	0	0	
Substance Abuse-Tbco	0	11,900,000	0	0	-11,900,000	-100.0%
Healthy Iowans 2010-Tbco	0	2,800,000	0	0	-2,800,000	-100.0%
Tobacco Use Prev./Control-Tbco	22,269	9,323,125	9,345,394	9,345,394	22,269	0.2%
Addictive Disorders-Tbco			11,900,000	12,510,000	12,510,000	
Environmental Hazards-Tbco			153,852	153,852	153,852	
Adult Wellness-Tbco			81,500	81,500	81,500	
Child & Adolescent Well-Tbco		0	81,500	81,500	81,500	
Injuries-Tbco			837,000	837,000	837,000	
Resource Management-Tbco			146,148	146,148	146,148	
<b>Total Health, Department of Public</b>	<b>\$ 4,227,269</b>	<b>\$ 27,875,125</b>	<b>\$ 27,738,882</b>	<b>\$ 28,308,882</b>	<b>\$ 433,757</b>	<b>1.6%</b>
<b><u>Human Rights, Department of</u></b>						
HAWK-I Outreach	\$ 0	\$ 100,000	\$ 0	\$ 100,000	\$ 0	0.0%
CJJP Justice Data Warehouse	500,000	0	0	0	0	
<b>Total Human Rights, Department of</b>	<b>\$ 500,000</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>0.0%</b>

# Health and Human Rights

## Non General Fund

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>Veterans Affairs, Comm. of</u></b>						
Veterans Affairs Technology	\$ 0	\$ 0	\$ 78,100	\$ 0	\$ 0	
<b>Total Health and Human Rights</b>	<u>\$ 4,767,269</u>	<u>\$ 32,163,248</u>	<u>\$ 32,754,608</u>	<u>\$ 33,476,508</u>	<u>\$ 1,313,260</u>	4.1%

# Human Services

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b>Human Services, Department of</b>						
<b>Economic Assistance</b>						
Family Investment Program	\$ 742,555	\$ 0	\$ 0	\$ 0	\$ 0	
Child Support Recoveries	1,131,976	0	0	0	0	
<b>Total Economic Assistance</b>	<b>1,874,531</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Medical Services</b>						
Medical Assistance - Property Tax	6,600,000	6,600,000	6,600,000	6,600,000	0	0.0%
Medical Contracts - Pooled Technology	0	0	5,152,380	0	0	
CHIP Exp. to 200% of FPL-Tbco	0	200,000	200,000	200,000	0	0.0%
Cont. Eligibility Pilot-Tbco	0	35,000	0	0	-35,000	-100.0%
Phys Et Al Provider Inc-Tbco	0	6,000,000	6,000,000	10,095,718	4,095,718	68.3%
Dental Provider Inc-Tbco	0	3,600,000	3,600,000	3,814,973	214,973	6.0%
Hospital Provider Inc-Tbco	0	2,300,000	2,300,000	3,035,278	735,278	32.0%
Home Hlth Care Prov Inc-Tbco	0	2,400,000	2,400,000	3,476,764	1,076,764	44.9%
Critical Access Hospitals-Tbco	0	250,000	250,000	250,000	0	0.0%
Home Hlth & Hab. Day Care Exp.	0	4,400,000	4,400,000	4,484,385	84,385	1.9%
Respite Care Expansion-Tbco	0	1,200,000	1,200,000	1,259,935	59,935	5.0%
LTC Provider Rate Changes-SLTF	0	17,750,000	0	20,750,000	3,000,000	16.9%
Nurse Facility Conv. Grnts-SLT	0	20,000,000	20,000,000	20,000,000	0	0.0%
LTC Alternative Services-SLTF	0	2,240,034	1,023,406	1,733,406	-506,628	-22.6%
<b>Total Medical Services</b>	<b>6,600,000</b>	<b>66,975,034</b>	<b>53,125,786</b>	<b>75,700,459</b>	<b>8,725,425</b>	<b>13.0%</b>
<b>Child and Family Services</b>						
Child Care Services	0	0	2,138,000	0	0	
RTSS Provider Increase-Tbco	0	3,100,000	3,100,000	3,243,026	143,026	4.6%
Adoption, Il, Sc, Hs Prov-Tbco	0	500,000	500,000	468,967	-31,033	-6.2%
Provider Rate/Meth Chgs-Tbco	0	550,000	550,000	545,670	-4,330	-0.8%
<b>Total Child and Family Services</b>	<b>0</b>	<b>4,150,000</b>	<b>6,288,000</b>	<b>4,257,663</b>	<b>107,663</b>	<b>2.6%</b>

# Human Services

## Non General Fund

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>Human Services, Department of (cont.)</u></b>						
<b>MH/MR/DD/BI</b>						
POS Provider Increase-Tbco	0	2,000,000	2,000,000	0	-2,000,000	-100.0%
<b>Managing and Delivering Services</b>						
General Administration	<u>0</u>	<u>0</u>	<u>1,062,797</u>	<u>0</u>	<u>0</u>	
<b>Total Human Services</b>	<u><u>\$ 8,474,531</u></u>	<u><u>\$ 73,125,034</u></u>	<u><u>\$ 62,476,583</u></u>	<u><u>\$ 79,958,122</u></u>	<u><u>\$ 6,833,088</u></u>	9.3%

# Justice System

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Corrections, Department of</u></b>						
<b>CBC Districts</b>						
CBC District II	\$ 0	\$ 127,217	\$ 127,217	\$ 0	\$ -127,217	-100.0%
CBC District III	0	35,359	35,359	0	-35,359	-100.0%
CBC District IV	0	191,731	191,731	0	-191,731	-100.0%
CBC District V	0	255,693	255,693	0	-255,693	-100.0%
<b>Total CBC Districts</b>	<b>0</b>	<b>610,000</b>	<b>610,000</b>	<b>0</b>	<b>-610,000</b>	<b>-100.0%</b>
<b>Corrections Central Office</b>						
Corrections Technology	0	0	421,176	0	0	
Technology Projects	948,338	0	0	0	0	
<b>Total Corrections Central Office</b>	<b>948,338</b>	<b>0</b>	<b>421,176</b>	<b>0</b>	<b>0</b>	
<b>Total Corrections, Department of</b>	<b>\$ 948,338</b>	<b>\$ 610,000</b>	<b>\$ 1,031,176</b>	<b>\$ 0</b>	<b>\$ -610,000</b>	<b>-100.0%</b>
<b><u>Judicial Branch</u></b>						
Enhanced Court Collect	\$ 5,000,000	\$ 3,990,000	\$ 4,000,000	\$ 4,000,000	\$ 10,000	0.3%
Court Tech & Modern Fund	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%
<b>Total Judicial Branch</b>	<b>\$ 6,000,000</b>	<b>\$ 4,990,000</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 10,000</b>	<b>0.2%</b>
<b><u>Parole, Board of</u></b>						
Parole Board	\$ 0	\$ 0	\$ 40,000	\$ 0	\$ 0	
<b><u>Public Defense, Department of</u></b>						
Emergency Operations Center	\$ 0	\$ 0	\$ 165,000	\$ 0	\$ 0	
<b><u>Public Safety, Department of</u></b>						
Fire Marshal School Infra.	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ -50,000	-100.0%
<b>Total Justice System</b>	<b>\$ 6,948,338</b>	<b>\$ 5,650,000</b>	<b>\$ 6,236,176</b>	<b>\$ 5,000,000</b>	<b>\$ -650,000</b>	<b>-11.5%</b>

## Trans., Infra., Capitals Non General Fund

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Agriculture &amp; Land Stewardship</u></b>						
Loess Hills Dev. Authority - RIF	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 0	\$ -2,000,000	-100.0%
Soil Watershed Protection - RIF	1,250,000	1,250,000	2,700,000	0	-1,250,000	-100.0%
Ag Drainage Wells/Systems - RIF	2,200,000	0	2,000,000	0	0	
Soil Conservation Cost Share - RIF	1,000,000	0	0	0	0	
<b>Total Agriculture &amp; Land Stewardship</b>	<b>\$ 6,450,000</b>	<b>\$ 3,250,000</b>	<b>\$ 4,700,000</b>	<b>\$ 0</b>	<b>\$ -3,250,000</b>	<b>-100.0%</b>
<b><u>Dept. for the Blind Capitals</u></b>						
Dormitory Renovations - RIF	\$ 0	\$ 122,000	\$ 0	\$ 0	\$ -122,000	-100.0%
<b><u>DED Capitals</u></b>						
Physical Infrastructure Assist. - RIF	\$ 12,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,000,000	\$ -500,000	-20.0%
Fire Safety/Dry Hydrants - RIF	100,000	200,000	0	0	-200,000	-100.0%
Local Housing Assistance - RIF	2,000,000	1,000,000	1,000,000	2,200,000	1,200,000	120.0%
Community Attraction and Tourism - RIF	12,500,000	12,500,000	12,500,000	12,500,000	0	0.0%
Advanced Research Assistance - RIF	4,000,000	4,000,000	4,000,000	4,000,000	0	0.0%
ACE Program - RIF	0	5,300,000	5,300,000	5,000,000	-300,000	-5.7%
Digital Divide - RIF	0	0	0	1,500,000	1,500,000	
<b>Total DED Capitals</b>	<b>\$ 31,100,000</b>	<b>\$ 25,500,000</b>	<b>\$ 25,300,000</b>	<b>\$ 27,200,000</b>	<b>\$ 1,700,000</b>	<b>6.7%</b>
<b><u>Transportation, Department of</u></b>						
<b><u>Primary Road Fund</u></b>						
Operations & Finance	\$ 31,129,990	\$ 32,969,263	\$ 33,731,807	\$ 33,731,807	\$ 762,544	2.3%
Administrative Services	5,698,593	5,895,791	3,340,803	3,340,803	-2,554,988	-43.3%
Planning & Programming	9,512,209	10,006,550	8,989,126	8,989,126	-1,017,424	-10.2%
Project Development	58,888,195	60,429,817	0	0	-60,429,817	-100.0%
Maintenance Division	104,904,152	107,811,711	0	0	-107,811,711	-100.0%
Highway Division	0	0	174,150,223	174,150,223	174,150,223	
Motor Vehicle	1,004,212	1,083,737	1,081,992	1,081,992	-1,745	-0.2%

# Trans., Infra., Capitals

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Transportation, Department of (cont.)</u></b>						
<b>Primary Road Fund (cont.)</b>						
Personnel Reimbursement	665,000	712,500	712,500	712,500	0	0.0%
Unemployment Compensation	328,000	328,000	328,000	328,000	0	0.0%
Workers Compensation	1,463,000	1,463,000	1,883,000	1,883,000	420,000	28.7%
Equipment Replacement	4,939,000	6,340,000	6,340,000	6,340,000	0	0.0%
Auditor Reimbursement	239,080	255,000	297,000	297,000	42,000	16.5%
Indirect Cost Recov.	532,000	658,000	748,000	748,000	90,000	13.7%
Ames Site Utilization Study	0	0	300,000	300,000	300,000	
Garage Fuel & Waste Management	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%
Heating System Replacements	200,000	200,000	200,000	200,000	0	0.0%
Field Tuckpointing	100,000	100,000	100,000	100,000	0	0.0%
DOT Service Delivery Study	0	0	500,000	500,000	500,000	
Biodegradable Hydraulic Fluids	15,000	15,000	0	0	-15,000	-100.0%
Biodiesel Fuel	20,000	20,000	0	0	-20,000	-100.0%
Field Facility Deferred Maint.	0	0	1,000,000	1,000,000	1,000,000	
<b>Total Primary Road Fund</b>	<b>220,638,431</b>	<b>229,288,369</b>	<b>234,702,451</b>	<b>234,702,451</b>	<b>5,414,082</b>	<b>2.4%</b>
<b>Road Use Tax Fund</b>						
Operations & Finance	5,067,673	5,367,089	5,491,225	5,491,225	124,136	2.3%
Administrative Services	969,605	959,781	543,850	543,850	-415,931	-43.3%
Planning & Programming	501,122	527,146	473,113	473,113	-54,033	-10.3%
Motor Vehicle	25,497,888	27,258,493	27,555,238	27,555,238	296,745	1.1%
Personnel Reimbursement	35,000	37,500	37,500	37,500	0	0.0%
Unemployment Compensation	17,000	17,000	17,000	17,000	0	0.0%
Workers' Compensation	77,000	77,000	77,000	77,000	0	0.0%
Auditor Reimbursement	38,920	42,000	48,000	48,000	6,000	14.3%
Indirect Cost Recoveries	68,000	92,000	102,000	102,000	10,000	10.9%
Driver's Lic. Equip Lease	2,069,000	2,103,000	3,997,000	3,997,000	1,894,000	90.1%
Co. Issuance-Driver Lic.	308,000	20,000	30,000	30,000	10,000	50.0%

# Trans., Infra., Capitals

## Non General Fund

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Transportation, Department of (cont.)</u></b>						
<b>Road Use Tax Fund (cont.)</b>						
I-35 Corridor Coalition	50,000	50,000	0	0	-50,000	-100.0%
Road/Weather Conditions Inform	100,000	100,000	100,000	100,000	0	0.0%
DOT Service Delivery Study			200,000	200,000	200,000	
<b>Total Road Use Tax Fund</b>	<b>34,799,208</b>	<b>36,651,009</b>	<b>38,671,926</b>	<b>38,671,926</b>	<b>2,020,917</b>	<b>5.5%</b>
<b>Total Transportation, Department of</b>	<b>\$ 255,437,639</b>	<b>\$ 265,939,378</b>	<b>\$ 273,374,377</b>	<b>\$ 273,374,377</b>	<b>\$ 7,434,999</b>	<b>2.8%</b>
<b><u>Treasurer of State</u></b>						
County Fair Infrastructure Imp - RIF	\$ 1,060,000	\$ 1,060,000	\$ 0	\$ 1,060,000	\$ 0	0.0%
<b><u>Corrections Capital</u></b>						
Oakdale Expansion - RIF	\$ 3,750,000	\$ 2,500,000	\$ 0	\$ 0	\$ -2,500,000	-100.0%
Mitchellville Improvements - RIF	2,700,000	0	0	0	0	
Rockwell City Improvements - RIF	1,800,000	0	0	0	0	
CBC Expansion Capitals - RIF	2,000,000	0	0	0	0	
Fort Madison Special Needs Facility - RIF	0	3,000,000	4,000,000	6,400,000	3,400,000	113.3%
CBC Facility Expansions - RIF	0	900,000	0	0	-900,000	-100.0%
Institutions Capitals - RIF	0	0	18,307,368	464,368	464,368	
Major Maintenance - RIF	0	0	38,940,889	0	0	
Ft.Madison Alliant Eng Pymnts. - RIF	0	0	0	333,168	333,168	
<b>Total Corrections Capital</b>	<b>\$ 10,250,000</b>	<b>\$ 6,400,000</b>	<b>\$ 61,248,257</b>	<b>\$ 7,197,536</b>	<b>\$ 797,536</b>	<b>12.5%</b>
<b><u>Cultural Affairs Capital</u></b>						
Historical Society Capitals - RIF	\$ 0	\$ 0	\$ 1,406,360	\$ 0	\$ 0	
Historical Preservation Program - RIF	2,500,000	2,500,000	2,500,000	2,000,000	-500,000	-20.0%
Historical Society Capitals - RIF	0	0	275,000	250,000	250,000	
<b>Total Cultural Affairs Capital</b>	<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>	<b>\$ 4,181,360</b>	<b>\$ 2,250,000</b>	<b>\$ -250,000</b>	<b>-10.0%</b>

# Trans., Infra., Capitals

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Iowa Workforce Development Capitals</u></b>						
Integrated Information System - RIF	\$ 0	\$ 0	\$ 797,400	\$ 0	\$ 0	
<b><u>State Fair Authority Capital</u></b>						
Capital Improvements - RIF	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 0	\$ -5,000,000	-100.0%
<b><u>General Services Capital</u></b>						
Capitol Annex/Executive Hills - RIF	\$ 750,000	\$ 750,000	\$ 0	\$ 0	\$ -750,000	-100.0%
Records & Property Building - RIF	0	0	1,215,000	1,215,000	1,215,000	
Statewide Routine Maintenance - RIF	0	0	10,000,000	2,500,000	2,500,000	
Capitol Complex Routine Maint. - RIF	0	2,000,000	0	0	-2,000,000	-100.0%
Property Acquisition/Site Dev. - RIF	0	0	500,000	400,000	400,000	
Cap. Complex Space Study - RIF	0	3,200,000	0	0	-3,200,000	-100.0%
Eldora Improvements - RIF	4,000,000	0	0	0	0	
New Laboratory Facility - RIF	0	0	8,200,000	0	0	
Major Maintenance - RIF	7,500,000	10,500,000	20,825,000	15,000,000	4,500,000	42.9%
Capitol Restoration Interior - RIF	4,381,000	4,324,100	1,700,000	1,700,000	-2,624,100	-60.7%
Old Historical Bldg Renovation - RIF	5,899,155	5,842,425	0	0	-5,842,425	-100.0%
Terrace Hill Maintenance - RIF	50,000	1,250,000	350,000	0	-1,250,000	-100.0%
Lucas Bldg Renovation - RIF	4,026,000	2,650,000	0	0	-2,650,000	-100.0%
Parking Structure Construction - RIF	3,500,000	0	0	0	0	
Employee Relocation/Transition - RIF	2,094,000	1,668,000	2,607,000	2,607,000	939,000	56.3%
Capitol Complex Parking Lots - RIF	200,000	0	0	0	0	
Eldora Training School Improvements - RIF	4,000,000	0	0	0	0	
Court Avenue Bridge Replacemnt - RIF	0	0	464,000	0	0	
Capitol Renovation Gov & DOM - RIF	250,000	0	0	0	0	
Capitol Renovation-Law Library - RIF	400,000	0	0	0	0	

# Trans., Infra., Capitals

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>General Services Capital (cont.)</u></b>						
Capitol Pedestrian Bridge - RIF	25,000	0	0	0	0	
Toledo Home Renovations - RIF	250,000	250,000	0	0	-250,000	-100.0%
<b>Total General Services Capital</b>	<b>\$ 37,325,155</b>	<b>\$ 32,434,525</b>	<b>\$ 45,861,000</b>	<b>\$ 23,422,000</b>	<b>\$ -9,012,525</b>	<b>-27.8%</b>
<b><u>Human Services Capital</u></b>						
Maintenance - RIF	\$ 0	\$ 0	\$ 7,827,832	\$ 0	\$ 0	
Health, Life, Safety - RIF	0	0	4,623,136	0	0	
ADA Improvements - RIF	0	0	1,366,018	0	0	
Major Projects - RIF	0	0	9,206,724	0	0	
Ongoing Maintenance - RIF	0	0	4,280,427	0	0	
<b>Total Human Services Capital</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 27,304,137</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b><u>Natural Resources Capital</u></b>						
<b>Natural Resources Capital</b>						
REAP Open Spaces	\$ 0	\$ 0	\$ 4,337,202	\$ 3,644,203	\$ 3,644,203	
REAP Land Mgmt	0	0	1,394,100	1,394,100	1,394,100	
Private Land Access	0	0	0	1,250,000	1,250,000	
<b>Total Natural Resources Capital</b>	<b>0</b>	<b>0</b>	<b>5,731,302</b>	<b>6,288,303</b>	<b>6,288,303</b>	
<b><u>Rebuild Iowa Infrastructure Fund</u></b>						
Marine Fuel Tax Capitals - RIF	2,300,000	0	0	0	0	
Water Monitoring Stations - RIF	1,015,000	0	0	0	0	
Lake Belva Deer - RIF	200,000	0	0	0	0	
Trees Program - RIF	250,000	0	0	0	0	
REAP - RIF	10,500,000	0	0	0	0	
Lake Belva Deer - RIF	0	200,000	0	0	-200,000	-100.0%
Private Land Access Program - RIF	0	0	1,600,000	0	0	
Destination Park - RIF	0	0	2,500,000	1,000,000	1,000,000	

# Trans., Infra., Capitals

## Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Natural Resources Capital (cont.)</u></b>						
<b>Rebuild Iowa Infrastructure Fund (cont.)</b>						
Camp Ground Electric - RIF	0	0	500,000	0	0	
Restore the Outdoors Program - RIF	3,000,000	3,000,000	3,000,000	0	-3,000,000	-100.0%
Recreational Grant Program - RIF	3,500,000	0	0	0	0	
Okoboji Park Development - RIF	275,000	50,000	0	0	-50,000	-100.0%
Lake Dredging - RIF	4,200,000	0	0	0	0	
<b>Total Rebuild Iowa Infrastructure Fund</b>	<b>25,240,000</b>	<b>3,250,000</b>	<b>7,600,000</b>	<b>1,000,000</b>	<b>-2,250,000</b>	<b>-69.2%</b>
<b>Total Natural Resources Capital</b>	<b>\$ 25,240,000</b>	<b>\$ 3,250,000</b>	<b>\$ 13,331,302</b>	<b>\$ 7,288,303</b>	<b>\$ 4,038,303</b>	<b>124.3%</b>
<b><u>Public Defense Capital</u></b>						
Armory Maintenance - RIF	\$ 700,000	\$ 700,000	\$ 1,270,000	\$ 700,000	\$ 0	0.0%
Military Division Capitals - RIF	0	0	2,868,733	400,000	400,000	
<b>Total Public Defense Capital</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>	<b>\$ 4,138,733</b>	<b>\$ 1,100,000</b>	<b>\$ 400,000</b>	<b>57.1%</b>
<b><u>Public Safety Capital</u></b>						
Patrol Post Construction - RIF	\$ 1,500,000	\$ 0	\$ 1,700,000	\$ 0	\$ 0	
Relocation Study - RIF	150,000	0	0	0	0	
Vehicle Pursuit Track - RIF	150,000	0	0	0	0	
Communications System - RIF	2,339,200	0	0	0	0	
<b>Total Public Safety Capital</b>	<b>\$ 4,139,200</b>	<b>\$ 0</b>	<b>\$ 1,700,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b><u>Regents Capital</u></b>						
Universtiy of Iowa Capitals - RIF	\$ 0	\$ 2,622,000	\$ 0	\$ 0	\$ -2,622,000	-100.0%
ISU Capitals - RIF	0	6,787,000	0	0	-6,787,000	-100.0%
UNI Capitals - RIF	0	2,506,000	0	0	-2,506,000	-100.0%
ISD Water System - RIF	0	250,000	0	0	-250,000	-100.0%
Universtiy of Iowa Capitals - RIF	7,123,000	4,400,000	0	0	-4,400,000	-100.0%

## Trans., Infra., Capitals Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Regents Capital (cont.)</u></b>						
ISU Capitals - RIF	9,163,000	8,800,000	0	0	-8,800,000	-100.0%
UNI Capitals - RIF	3,214,000	2,700,000	0	0	-2,700,000	-100.0%
Regents Capitals - RIF	4,485,000	0	73,390,000	0	0	
<b>Total Regents Capital</b>	<b>\$ 23,985,000</b>	<b>\$ 28,065,000</b>	<b>\$ 73,390,000</b>	<b>\$ 0</b>	<b>\$ -28,065,000</b>	<b>-100.0%</b>
<b><u>Transportation Capitals</u></b>						
<b>Primary Road Fund</b>						
Maintenance Garages	\$ 1,050,000	\$ 1,500,000			\$ -1,500,000	-100.0%
ADA Improvements	200,000	200,000	200,000	200,000	0	0.0%
Waste Water Improvements	400,000	400,000	400,000	400,000	0	0.0%
Salt Storage Facilities	0	0	1,000,000	1,000,000	1,000,000	
Garage Roofing Projects	300,000	400,000	400,000	400,000	0	0.0%
Ames Admin. Bldg. Roof	400,000	0	0	0	0	
DOT Capital Projects	0	0	1,850,000	1,850,000	1,850,000	
Admin. Bldg. Improvements	1,350,000	0	0	0	0	
Cedar Rapids Lab Addition			320,000	320,000	320,000	
Northwest Building Improvement		900,000			-900,000	-100.0%
Exhaust System Repairs			350,000	350,000	350,000	
<b>Total Primary Road Fund</b>	<b>3,700,000</b>	<b>3,400,000</b>	<b>4,520,000</b>	<b>4,520,000</b>	<b>1,120,000</b>	<b>32.9%</b>
<b>Road Use Tax Fund</b>						
Clarke County Scale	0	0	0	0	0	
Scale & Inspection Sites	550,000	940,000	0	0	-940,000	-100.0%
<b>Total Road Use Tax Fund</b>	<b>550,000</b>	<b>940,000</b>	<b>0</b>	<b>0</b>	<b>-940,000</b>	<b>-100.0%</b>
<b>Rebuild Iowa Infrastructure Fund</b>						
Recreational Trails	2,250,000	2,250,000	2,250,000	2,000,000	-250,000	-11.1%
Commercial Service Airports	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%

## Trans., Infra., Capitals Non General Fund

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Transportation Capitals (cont.)</u></b>						
<b>Rebuild Iowa Infrastructure Fund (cont.)</b>						
General Aviation Airports	500,000	500,000	500,000	500,000	0	0.0%
Airport Grants-RIIF	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	
<b>Total Rebuild Iowa Infrastructure Fund</b>	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,750,000</u>	<u>4,500,000</u>	<u>750,000</u>	20.0%
<b>Total Transportation Capitals</b>	<u>\$ 8,000,000</u>	<u>\$ 8,090,000</u>	<u>\$ 8,270,000</u>	<u>\$ 9,020,000</u>	<u>\$ 930,000</u>	11.5%
<b><u>Education Capital</u></b>						
21st Century Learning Infrastructure - RIIF	\$ 0	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	
Enrich Iowa Libraries - RIIF	0	0	500,000	500,000	500,000	
IPTV - Generator - RIIF	0	0	300,000	0	0	
Voc Rehab Capitals - RIIF	0	0	67,160	0	0	
Community College Technology - RIIF	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>	0.0%
<b>Total Education Capital</b>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,867,160</u>	<u>\$ 5,500,000</u>	<u>\$ 2,500,000</u>	83.3%
<b><u>Judicial Branch Capital</u></b>						
Judicial Building - RIIF	\$ 10,000,000	\$ 8,000,000	\$ 10,300,000	\$ 10,300,000	\$ 2,300,000	28.8%
Street Repairs - RIIF			<u>34,000</u>	<u>34,000</u>	<u>34,000</u>	
<b>Total Judicial Branch Capital</b>	<u>\$ 10,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 10,334,000</u>	<u>\$ 10,334,000</u>	<u>\$ 2,334,000</u>	29.2%
<b><u>Veterans Affairs Capitals</u></b>						
National World War II Memorial - RIIF	\$ 0	\$ 278,000	\$ 0	\$ 0	\$ -278,000	-100.0%
Veterans Affairs Capitals - RIIF	0	0	1,198,240	0	0	
Veterans Home Facilities Renovation - RIIF	0	734,605	0	0	-734,605	-100.0%
Veterans Dining Facility - RIIF	<u>0</u>	<u>3,416,244</u>	<u>0</u>	<u>0</u>	<u>-3,416,244</u>	-100.0%
<b>Total Veterans Affairs Capitals</b>	<u>\$ 0</u>	<u>\$ 4,428,849</u>	<u>\$ 1,198,240</u>	<u>\$ 0</u>	<u>\$ -4,428,849</u>	-100.0%

# Trans., Infra., Capitals

## Non General Fund

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>Law Enforcement Academy Capitals</u></b>						
ILEA Capitals - RIF	\$ 0	\$ 0	\$ 654,000	\$ 0	\$ 0	
<b><u>General Assembly Capital</u></b>						
Legislative Space Planning - RIF	\$ 1,600,000	\$ 0	\$ 0	\$ 0	\$ 0	
<b>Total Trans., Infra., &amp; Capitals</b>	<b><u>\$ 425,786,994</u></b>	<b><u>\$ 397,739,752</u></b>	<b><u>\$ 559,649,966</u></b>	<b><u>\$ 367,746,216</u></b>	<b><u>\$ -29,993,536</u></b>	-7.5%

# Oversight and Communication

## Non General Fund

	<u>Actual</u> <u>FY 2000</u> <u>(1)</u>	<u>Estimated</u> <u>FY 2001</u> <u>(2)</u>	<u>Dept Request</u> <u>FY 2002</u> <u>(3)</u>	<u>Gov Recomm</u> <u>FY 2002</u> <u>(4)</u>	<u>Gov. Rec. vs.</u> <u>FY 2001</u> <u>(5)</u>	<u>Percent</u> <u>Change</u> <u>(6)</u>
<b><u>Education, Department of</u></b>						
Digital TV Conversion	\$ 5,000,000	\$ 0	\$ 0	\$ 0	\$ 0	
<b><u>IA Telecommun &amp; Technology Commission</u></b>						
ICN - ATM Conversion	\$ 0	\$ 0	\$ 10,500,000	\$ 0	\$ 0	
ICN Part III Maint & Leases	2,681,685	2,727,004	2,727,004	2,727,004	0	0.0%
<b>Total IA Telecommun &amp; Technology Commission</b>	<b>\$ 2,681,685</b>	<b>\$ 2,727,004</b>	<b>\$ 13,227,004</b>	<b>\$ 2,727,004</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Information Technology, Dept. of</u></b>						
<b>Information Technology Service</b>						
Pooled Technology	\$ 0	\$ 0	\$ 0	\$ 18,500,000	\$ 18,500,000	
<b>Information Technology Service</b>						
IT-Enterprise Storage Network	0	0	2,000,000	0	0	
IT- Digital Government	0	0	7,000,000	0	0	
IT-IGIC Geo. Image Map	0	0	136,000	0	0	
IT-Enterprise Resource House	0	0	225,000	0	0	
IT-Enterprise Security/PKI	0	0	1,316,000	0	0	
IT-Reengineering	0	0	1,000,000	0	0	
IT - 21st Century Learning	0	0	2,000,000	0	0	
IT-Enterprise Data Warehouse	0	0	2,311,546	0	0	
ITD - Reengineering Projects	1,750,000	0	0	0	0	
<b>Total Information Technology Service</b>	<b>1,750,000</b>	<b>0</b>	<b>15,988,546</b>	<b>0</b>	<b>0</b>	
<b>Total Information Technology, Dept. of</b>	<b>\$ 1,750,000</b>	<b>\$ 0</b>	<b>\$ 15,988,546</b>	<b>\$ 18,500,000</b>	<b>\$ 18,500,000</b>	
<b><u>Regents, Board of</u></b>						
Regents Technology Projects	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 0	
<b>Total Oversight and Communication</b>	<b>\$ 9,531,685</b>	<b>\$ 2,727,004</b>	<b>\$ 29,215,550</b>	<b>\$ 21,227,004</b>	<b>\$ 18,500,000</b>	<b>678.4%</b>

# Unassigned Standing

## Non General Fund

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>Legislative Branch</u></b>						
Nat Conf Insurance Legislators	\$ 0	\$ 5,000	\$ 0	\$ 0	\$ -5,000	-100.0%
<b><u>Transportation, Department of</u></b>						
DL Suspension Services	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0	0.0%
Co. Treas. Equip Standing	650,000	650,000	1,000,000	1,000,000	350,000	53.8%
<b>Total Transportation, Department of</b>	<b>\$ 875,000</b>	<b>\$ 875,000</b>	<b>\$ 1,225,000</b>	<b>\$ 1,225,000</b>	<b>\$ 350,000</b>	<b>40.0%</b>
<b><u>Natural Resources Capital</u></b>						
Fish and Game Capital	\$ 5,771,000	\$ 3,015,250	\$ 1,502,500	\$ 1,502,500	\$ -1,512,750	-50.2%
<b>Total Unassigned Standing</b>	<b>\$ 6,646,000</b>	<b>\$ 3,895,250</b>	<b>\$ 2,727,500</b>	<b>\$ 2,727,500</b>	<b>\$ -1,167,750</b>	<b>-30.0%</b>

# Summary Data

## FTE

	<b>Actual FY 2000</b>	<b>Estimated FY 2001</b>	<b>Dept Request FY 2002</b>	<b>Gov Recomm FY 2002</b>	<b>Gov. Rec. vs. FY 2001</b>	<b>Percent Change</b>
	(1)	(2)	(3)	(4)	(5)	(6)
Administration and Regulation	1,787.52	1,903.86	1,967.47	1,923.47	19.60	1.0%
Ag. and Natural Resources	1,426.50	1,505.11	1,566.31	1,521.11	16.00	1.1%
Economic Development	1,111.47	1,242.30	1,243.00	1,246.50	4.20	0.3%
Education	17,618.22	17,352.67	17,534.27	17,407.06	54.39	0.3%
Health and Human Rights	1,335.41	1,504.42	1,517.93	1,503.28	-1.15	-0.1%
Human Services	5,290.65	5,531.85	5,804.19	5,801.80	269.95	4.9%
Justice System	7,660.19	8,115.16	8,345.38	8,256.52	141.36	1.7%
Trans., Infra., & Capitals	3,663.41	3,859.00	3,859.00	3,859.00	0.00	0.0%
Oversight and Communication	130.18	74.46	74.46	74.46	0.00	0.0%
Unassigned Standing	399.17	399.13	399.13	399.13	0.00	0.0%
<b>Grand Total</b>	<b>40,422.71</b>	<b>41,487.96</b>	<b>42,311.12</b>	<b>41,992.31</b>	<b>504.35</b>	<b>1.2%</b>

# Administration and Regulation

## FTE

	<u>Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Dept Request FY 2002</u>	<u>Gov Recomm FY 2002</u>	<u>Gov. Rec. vs. FY 2001</u>	<u>Percent Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Auditor of State</u></b>						
Auditor of State - Gen. Office	114.20	116.74	116.68	116.68	-0.06	-0.1%
<b><u>Ethics and Campaign Disclosure</u></b>						
Ethics and Campaign Disclosure	7.88	8.00	8.00	8.00	0.00	0.0%
<b><u>Commerce, Department of</u></b>						
Administration	17.20	17.50	17.50	17.50	0.00	0.0%
Alcoholic Beverages	24.14	24.00	28.00	24.00	0.00	0.0%
Banking Division	74.05	81.00	81.00	78.00	-3.00	-3.7%
Credit Union Division	14.65	19.00	19.00	19.00	0.00	0.0%
Insurance Division	86.12	93.50	93.50	93.50	0.00	0.0%
Professional Licensing	10.94	11.00	11.00	11.00	0.00	0.0%
Utilities Division	67.17	75.00	75.00	75.00	0.00	0.0%
<b>Total Commerce, Department of</b>	<b>294.27</b>	<b>321.00</b>	<b>325.00</b>	<b>318.00</b>	<b>-3.00</b>	<b>-0.9%</b>
<b><u>General Services, Dept. of</u></b>						
General Services Admin Serv	42.05	45.85	45.85	45.85	0.00	0.0%
Terrace Hill Operations	4.95	5.00	6.00	5.00	0.00	0.0%
General Services Property Mgmt	108.54	114.00	114.00	114.00	0.00	0.0%
Centralized Purchasing Divsn	16.13	17.95	18.95	17.95	0.00	0.0%
Vehicle Dispatcher Division	15.88	16.75	16.75	16.75	0.00	0.0%
Central Print Division	23.93	27.30	27.30	27.30	0.00	0.0%
<b>Total General Services, Dept. of</b>	<b>211.48</b>	<b>226.85</b>	<b>228.85</b>	<b>226.85</b>	<b>0.00</b>	<b>0.0%</b>
<b><u>Governor</u></b>						
General Office	19.50	17.25	17.25	17.25	0.00	0.0%
Terrace Hill Quarters	3.00	3.00	4.00	4.00	1.00	33.3%

# Administration and Regulation

FTE

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Governor (cont.)</u></b>						
Admin Rules Coordinator	2.96	3.00	3.00	3.00	0.00	0.0%
State-Federal Relations	2.50	3.00	3.00	3.00	0.00	0.0%
<b>Total Governor</b>	<b>27.96</b>	<b>26.25</b>	<b>27.25</b>	<b>27.25</b>	<b>1.00</b>	<b>3.8%</b>
<b><u>Inspections &amp; Appeals, Dept of</u></b>						
<b>Inspections and Appeals</b>						
Administration Division	19.58	21.00	21.00	21.00	0.00	0.0%
Audits Division	11.54	12.00	12.00	12.00	0.00	0.0%
Administrative Hearings Div.	29.06	30.00	30.00	30.00	0.00	0.0%
Investigations Division	39.90	40.00	40.00	40.00	0.00	0.0%
Health Facilities Division	96.17	108.00	112.00	112.00	4.00	3.7%
Inspections Division	11.67	15.00	15.00	15.00	0.00	0.0%
Employment Appeal Board	12.25	15.00	15.00	15.00	0.00	0.0%
Foster Care Review Board	10.42	19.00	20.00	19.00	0.00	0.0%
<b>Total Inspections and Appeals</b>	<b>230.59</b>	<b>260.00</b>	<b>265.00</b>	<b>264.00</b>	<b>4.00</b>	<b>1.5%</b>
<b>Racing Commission</b>						
Pari-mutuel Regulation	25.13	22.36	28.03	28.03	5.67	25.4%
Excursion Boat Gambling Reg.	24.10	25.72	27.72	27.72	2.00	7.8%
<b>Total Racing Commission</b>	<b>49.23</b>	<b>48.08</b>	<b>55.75</b>	<b>55.75</b>	<b>7.67</b>	<b>16.0%</b>
<b>Total Inspections &amp; Appeals, Dept of</b>	<b>279.82</b>	<b>308.08</b>	<b>320.75</b>	<b>319.75</b>	<b>11.67</b>	<b>3.8%</b>
<b><u>Management, Department of</u></b>						
General Office	29.62	31.00	32.00	32.00	1.00	3.2%
Statewide Property Tax Admin.	0.82	1.00	1.00	1.00	0.00	0.0%
Enterprise Resource Plan.	0.00	0.00	25.00	0.00	0.00	
<b>Total Management, Department of</b>	<b>30.44</b>	<b>32.00</b>	<b>58.00</b>	<b>33.00</b>	<b>1.00</b>	<b>3.1%</b>

# Administration and Regulation

## FTE

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>Personnel, Department of</u></b>						
<b>Personnel, Department of</b>						
IDOP-Admin. and Prog. Op.	18.54	31.00	34.00	32.00	1.00	3.2%
IDOP-Customer Services and Ben	28.89	60.51	68.50	68.50	7.99	13.2%
IDOP-Prog. Admin. and Develop.	33.32	0.00	0.00	0.00	0.00	
<b>Total Personnel, Department of</b>	<b>80.75</b>	<b>91.51</b>	<b>102.50</b>	<b>100.50</b>	<b>8.99</b>	<b>9.8%</b>
<b>IDOP - Retirement</b>						
IPERS Administration	70.17	77.04	95.04	88.04	11.00	14.3%
IPERS Management Inform System	3.33	11.00	0.00	0.00	-11.00	-100.0%
<b>Total IDOP - Retirement</b>	<b>73.50</b>	<b>88.04</b>	<b>95.04</b>	<b>88.04</b>	<b>-0.00</b>	<b>0.0%</b>
<b>Total Personnel, Department of</b>	<b>154.25</b>	<b>179.55</b>	<b>197.54</b>	<b>188.54</b>	<b>8.99</b>	<b>5.0%</b>
<b><u>Revenue and Finance, Dept. of</u></b>						
<b>Revenue and Finance, Dept. of</b>						
Compliance	176.21	164.49	173.49	173.49	9.00	5.5%
Internal Resources Management	77.75	84.19	80.19	80.19	-4.00	-4.8%
State Financial Management	239.75	251.52	246.52	246.52	-5.00	-2.0%
Statewide Property Tax	0.00	0.40	0.40	0.40	0.00	0.0%
<b>Total Revenue and Finance, Dept. of</b>	<b>493.71</b>	<b>500.60</b>	<b>500.60</b>	<b>500.60</b>	<b>0.00</b>	<b>0.0%</b>
<b>Lottery Division</b>						
Lottery Operations	108.17	117.00	117.00	117.00	0.00	0.0%
<b>Total Revenue and Finance, Dept. of</b>	<b>601.88</b>	<b>617.60</b>	<b>617.60</b>	<b>617.60</b>	<b>0.00</b>	<b>0.0%</b>
<b><u>Secretary of State</u></b>						
<b>Secretary of State</b>						
Administration And Elections	9.79	10.00	10.00	10.00	0.00	0.0%
Business Services	32.55	32.00	32.00	32.00	0.00	0.0%
<b>Total Secretary of State</b>	<b>42.34</b>	<b>42.00</b>	<b>42.00</b>	<b>42.00</b>	<b>0.00</b>	<b>0.0%</b>

# Administration and Regulation

FTE

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>Treasurer of State</u></b>						
Treasurer - General Office	23.01	25.80	25.80	25.80	0.00	0.0%
<b>Total Administration and Regulation</b>	<u>1,787.52</u>	<u>1,903.86</u>	<u>1,967.47</u>	<u>1,923.47</u>	<u>19.60</u>	1.0%
Operations	1,679.35	1,786.86	1,825.47	1,806.47	19.60	1.1%
Capital	0.00	0.00	25.00	0.00	0.00	
Standing	108.17	117.00	117.00	117.00	0.00	0.0%
	<u>1,787.52</u>	<u>1,903.86</u>	<u>1,967.47</u>	<u>1,923.47</u>	<u>19.60</u>	1.0%

# Ag. and Natural Resources

FTE

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Agriculture &amp; Land Stewardship</u></b>						
<b>Agriculture &amp; Land Stewardship</b>						
Administrative Division	42.24	47.88	55.88	48.88	1.00	2.1%
Farmer's Market Coupon Program	1.47	2.00	2.00	2.00	0.00	0.0%
Regulatory Division	116.67	126.00	127.00	125.00	-1.00	-0.8%
Laboratory Division	75.88	84.00	91.20	85.00	1.00	1.2%
<b>Total Agriculture &amp; Land Stewardship</b>	<u>236.26</u>	<u>259.88</u>	<u>276.08</u>	<u>260.88</u>	<u>1.00</u>	<u>0.4%</u>
<b>Ag. - Soil Conservation</b>						
Soil Conserv Division Ops	168.76	195.11	220.11	194.11	-1.00	-0.5%
<b>Total Agriculture &amp; Land Stewardship</b>	<u>405.02</u>	<u>454.99</u>	<u>496.19</u>	<u>454.99</u>	<u>-0.00</u>	<u>0.0%</u>
<b><u>Natural Resources, Department of</u></b>						
Natural Resources Dept. Ops.	1,021.48	1,050.12	1,070.12	1,066.12	16.00	1.5%
<b>Total Ag. and Natural Resources</b>	<u><u>1,426.50</u></u>	<u><u>1,505.11</u></u>	<u><u>1,566.31</u></u>	<u><u>1,521.11</u></u>	<u><u>16.00</u></u>	<u><u>1.1%</u></u>

# Economic Development

## FTE

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Economic Development, Dept. of</u></b>						
<b>Administrative Services</b>						
General Administration	23.37	25.75	25.75	25.75	0.00	0.0%
Film Office	1.82	2.00	2.00	2.00	0.00	0.0%
IA Com. on Volunteerism	2.26	3.45	3.25	3.25	-0.20	-5.8%
Workforce Development Fund	3.84	4.00	4.00	4.00	0.00	0.0%
<b>Total Administrative Services</b>	<b>31.29</b>	<b>35.20</b>	<b>35.00</b>	<b>35.00</b>	<b>-0.20</b>	<b>-0.6%</b>
<b>Business Development</b>						
Business Development	19.46	27.75	27.75	27.75	0.00	0.0%
Small Business Programs	5.27	0.00	0.00	0.00	0.00	
Procurement Office	1.50	0.00	0.00	0.00	0.00	
Workforce Recruitment Proj.	2.37	2.00	2.00	2.00	0.00	0.0%
Strategic Investment Fund	8.40	12.50	12.50	12.50	0.00	0.0%
Value Added Ag. Products	2.00	2.00	2.00	2.00	0.00	0.0%
<b>Total Business Development</b>	<b>39.00</b>	<b>44.25</b>	<b>44.25</b>	<b>44.25</b>	<b>0.00</b>	<b>0.0%</b>
<b>Community &amp; Rural Development</b>						
Community Assistance	8.29	10.50	10.50	10.50	0.00	0.0%
Mainstreet/Rural Mainst.	3.00	3.00	3.00	3.00	0.00	0.0%
Community Dev. Programs	4.93	7.50	7.50	7.50	0.00	0.0%
Community Dev. Block Grant	18.93	21.75	21.75	21.75	0.00	0.0%
Iowa Improvement Fund	0.25	0.00	0.00	0.00	0.00	
Local Housing Assistance Fund	1.24	2.00	2.00	2.00	0.00	0.0%
<b>Total Community &amp; Rural Development</b>	<b>36.64</b>	<b>44.75</b>	<b>44.75</b>	<b>44.75</b>	<b>0.00</b>	<b>0.0%</b>
<b>Tourism Division</b>						
Tourism Operations	16.00	18.52	18.52	18.52	0.00	0.0%
Tourism/Recreation Dev.	0.00	1.00	1.00	1.00	0.00	0.0%
<b>Total Tourism Division</b>	<b>16.00</b>	<b>19.52</b>	<b>19.52</b>	<b>19.52</b>	<b>0.00</b>	<b>0.0%</b>

# Economic Development

## FTE

	<u>Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Dept Request FY 2002</u>	<u>Gov Recomm FY 2002</u>	<u>Gov. Rec. vs. FY 2001</u>	<u>Percent Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Economic Development, Dept. of (cont.)</u></b>						
<b>International Division</b>						
International Trade	10.86	14.25	14.25	14.25	0.00	0.0%
<b>Finance Authority</b>						
Title Guaranty Fund	7.29	9.00	9.00	9.00	0.00	0.0%
Finance Authority	23.35	29.00	31.00	31.00	2.00	6.9%
Section 8 HUD Funding	2.24	25.00	25.00	25.00	0.00	0.0%
<b>Total Finance Authority</b>	<b>32.88</b>	<b>63.00</b>	<b>65.00</b>	<b>65.00</b>	<b>2.00</b>	<b>3.2%</b>
<b>Total Economic Development, Dept. of</b>	<b>166.67</b>	<b>220.97</b>	<b>222.77</b>	<b>222.77</b>	<b>1.80</b>	<b>0.8%</b>
<b><u>Iowa Workforce Development</u></b>						
Workers' Comp. Division	32.43	35.00	35.00	37.00	2.00	5.7%
Labor Division	85.94	92.00	92.00	95.00	3.00	3.3%
Making Connections	0.00	0.00	0.50	0.00	0.00	
Workforce Dev. Board	1.00	1.00	1.00	1.00	0.00	0.0%
Employment Statistics	1.08	1.20	1.20	1.20	0.00	0.0%
Labor Management Coord.	0.27	0.25	1.00	0.00	-0.25	-100.0%
New Employment Opportunities	1.77	0.30	0.30	0.30	0.00	0.0%
Welfare To Work Match	3.27	3.45	0.00	0.00	-3.45	-100.0%
Workforce Admin Revolving Fd	608.39	0.00	0.00	0.00	0.00	
P & I Projects	0.00	112.46	112.41	112.41	-0.05	0.0%
Iwd Major Federal Programs	0.00	549.71	553.34	553.34	3.63	0.7%
Workforce Minor Programs	0.00	52.51	52.08	52.08	-0.43	-0.8%
Job Service ACS Admin. Fund	110.68	87.32	85.87	85.87	-1.45	-1.7%
<b>Total Iowa Workforce Development</b>	<b>844.83</b>	<b>935.20</b>	<b>934.70</b>	<b>938.20</b>	<b>3.00</b>	<b>0.3%</b>
<b><u>Public Employment Relations Board</u></b>						
General Office	11.69	12.00	12.00	12.00	0.00	0.0%

# Economic Development

## FTE

	<u>Actual</u> <u>FY 2000</u>	<u>Estimated</u> <u>FY 2001</u>	<u>Dept Request</u> <u>FY 2002</u>	<u>Gov Recomm</u> <u>FY 2002</u>	<u>Gov. Rec. vs.</u> <u>FY 2001</u>	<u>Percent</u> <u>Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Regents, Board of</b>						
<b>University of Iowa</b>						
Oak Park Res./Tech. Park	3.50	2.70	2.70	2.70	0.00	0.0%
Advanced Drug Development	6.60	3.30	3.30	3.30	0.00	0.0%
<b>Total University of Iowa</b>	<b>10.10</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Iowa State University</b>						
Small Business Dev. Ctrs.	4.69	5.80	5.80	5.80	0.00	0.0%
Research Park/ISIS	4.00	4.31	4.31	4.31	0.00	0.0%
Inst. for Physical Res.	58.89	46.42	46.42	46.42	-0.00	0.0%
<b>Total Iowa State University</b>	<b>67.58</b>	<b>56.53</b>	<b>56.53</b>	<b>56.53</b>	<b>-0.00</b>	<b>0.0%</b>
<b>Univ. of Northern Iowa</b>						
Metal Casting	2.60	2.60	2.50	2.50	-0.10	-3.8%
Decision Making Institute	8.00	9.00	8.50	8.50	-0.50	-5.6%
<b>Total Univ. of Northern Iowa</b>	<b>10.60</b>	<b>11.60</b>	<b>11.00</b>	<b>11.00</b>	<b>-0.60</b>	<b>-5.2%</b>
<b>Total Regents, Board of</b>	<b>88.28</b>	<b>74.13</b>	<b>73.53</b>	<b>73.53</b>	<b>-0.60</b>	<b>-0.8%</b>
<b>Total Economic Development</b>	<b>1,111.47</b>	<b>1,242.30</b>	<b>1,243.00</b>	<b>1,246.50</b>	<b>4.20</b>	<b>0.3%</b>
Operations	433.28	530.38	526.08	529.58	-0.80	-0.2%
Grants & Aid	18.93	21.75	21.75	21.75	0.00	0.0%
Displayed Funds	659.26	690.17	695.17	695.17	5.00	0.7%
	<b>1,111.47</b>	<b>1,242.30</b>	<b>1,243.00</b>	<b>1,246.50</b>	<b>4.20</b>	<b>0.3%</b>

# Education

## FTE

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>College Aid Commission</u></b>						
<b>College Aid Commission</b>						
Foster Care Grant Program	0.00	0.00	0.90	0.90	0.90	
Stafford Loan Program Admin.	<u>31.26</u>	<u>34.60</u>	<u>35.70</u>	<u>35.70</u>	<u>1.10</u>	3.2%
<b>Total College Aid Commission</b>	31.26	34.60	36.60	36.60	2.00	5.8%
<b>Operations &amp; Loan Program</b>						
Scholarship and Grant Admin	<u>4.99</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>0.00</u>	0.0%
<b>Total College Aid Commission</b>	<u>36.25</u>	<u>40.00</u>	<u>42.00</u>	<u>42.00</u>	<u>2.00</u>	5.0%
<b><u>Cultural Affairs, Dept. of</u></b>						
Iowa Arts Council	9.79	10.00	11.00	11.00	1.00	10.0%
Cultural Grants	0.70	0.70	0.70	0.70	0.00	0.0%
State Historical Society	63.70	66.70	70.70	66.70	0.00	0.0%
Cultural Affairs - Admin.	4.30	4.30	4.30	4.30	0.00	0.0%
Historical Sites	<u>7.83</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>0.00</u>	0.0%
<b>Total Cultural Affairs, Dept. of</b>	<u>86.32</u>	<u>89.70</u>	<u>94.70</u>	<u>90.70</u>	<u>1.00</u>	1.1%
<b><u>Education, Department of</u></b>						
<b>Education, Dept. of</b>						
School to Work	0.00	2.00	2.50	2.50	0.50	25.0%
Teacher Prep	<u>0.00</u>	<u>0.00</u>	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>	
<b>Total Education, Dept. of</b>	0.00	2.00	4.50	2.50	0.50	25.0%

# Education

## FTE

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Education, Department of (cont.)</u></b>						
<b>Administration</b>						
Dept. of Ed. Administration	89.04	98.45	98.45	98.45	0.00	0.0%
Vocational Ed. Admin.	14.21	15.60	15.60	15.60	0.00	0.0%
Board of Ed. Examiners	5.62	9.00	9.00	9.00	0.00	0.0%
State Library	19.32	20.00	20.00	20.00	0.00	0.0%
Vocational Rehabilitation	259.08	294.00	294.00	294.00	0.00	0.0%
Independent Living	1.00	1.00	1.00	1.00	0.00	0.0%
Iowa Public Television	99.24	106.40	110.40	106.40	-0.00	0.0%
<b>Total Administration</b>	<b>487.51</b>	<b>544.45</b>	<b>548.45</b>	<b>544.45</b>	<b>-0.00</b>	<b>0.0%</b>
<b>Grants &amp; State Aid</b>						
School Food Service	13.55	14.00	14.00	14.00	0.00	0.0%
<b>Total Education, Department of</b>	<b>501.06</b>	<b>560.45</b>	<b>566.95</b>	<b>560.95</b>	<b>0.50</b>	<b>0.1%</b>
<b><u>Regents, Board of</u></b>						
<b>Regents, Board of</b>						
Public Health Initiative	7.05	0.00	0.00	0.00	0.00	
Regents Board Office	15.76	15.63	16.00	15.63	0.00	0.0%
<b>Total Regents, Board of</b>	<b>22.81</b>	<b>15.63</b>	<b>16.00</b>	<b>15.63</b>	<b>0.00</b>	<b>0.0%</b>
<b>University of Iowa</b>						
Univ. of Iowa: Gen. University	4,038.59	4,055.62	4,086.77	4,055.62	0.00	0.0%
State of Iowa Cancer Registry	2.15	2.40	2.40	2.40	0.00	0.0%
Iowa Birth Defects Registry	1.41	1.30	1.30	1.30	0.00	0.0%
Indigent Patient Program: UIHC	5,575.87	5,485.57	5,485.57	5,485.57	0.00	0.0%
Psychiatric Hospital	274.66	273.19	273.19	273.19	-0.00	0.0%
Hospital School	148.14	148.91	148.91	148.91	0.00	0.0%
Oakdale Campus	43.25	43.25	43.25	43.25	-0.00	0.0%

# Education

## FTE

	<u>Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Dept Request FY 2002</u>	<u>Gov Recomm FY 2002</u>	<u>Gov. Rec. vs. FY 2001</u>	<u>Percent Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Regents, Board of (cont.)</u></b>						
<b>University of Iowa (cont.)</b>						
University Hygienic Laboratory	102.49	102.49	102.49	102.49	0.00	0.0%
Family Practice Program	192.40	192.40	192.40	192.40	0.00	0.0%
Schs - Hemophilia, Cancer	64.67	63.27	63.27	63.27	0.00	0.0%
SUI Ag Health and Safety	3.21	3.48	3.48	3.48	0.00	0.0%
SUI Substance Abuse Consortium	1.75	1.50	1.50	1.50	0.00	0.0%
Driving Simulator	2.80	0.00	0.00	0.00	0.00	
Primary Health Care	8.93	7.75	7.75	7.75	0.00	0.0%
Biocatalysis	6.00	5.20	5.20	5.20	0.00	0.0%
<b>Total University of Iowa</b>	<b>10,466.32</b>	<b>10,386.33</b>	<b>10,417.48</b>	<b>10,386.33</b>	<b>-0.00</b>	<b>0.0%</b>
<b>Iowa State University</b>						
Iowa State: Gen. University	3,973.77	3,607.44	3,663.06	3,647.42	39.98	1.1%
ISU: Ag & Home Ec. Exp. Sta.	563.85	546.98	546.98	546.98	-0.00	0.0%
ISU - Cooperative Extension	413.52	430.91	431.20	431.20	0.29	0.1%
ISU Leopold Center	11.10	11.25	11.25	11.25	0.00	0.0%
Livestock Disease Research	4.27	3.17	3.16	3.16	-0.01	-0.3%
<b>Total Iowa State University</b>	<b>4,966.51</b>	<b>4,599.75</b>	<b>4,655.65</b>	<b>4,640.01</b>	<b>40.26</b>	<b>0.9%</b>
<b>Univ. of Northern Iowa</b>						
University of Northern Iowa	1,410.86	1,454.35	1,519.35	1,454.35	0.00	0.0%
Recycling & Reuse Center	1.50	1.50	1.50	1.50	0.00	0.0%
<b>Total Univ. of Northern Iowa</b>	<b>1,412.36</b>	<b>1,455.85</b>	<b>1,520.85</b>	<b>1,455.85</b>	<b>0.00</b>	<b>0.0%</b>
<b>Special Schools</b>						
Iowa School for the Deaf	126.60	125.79	129.60	126.60	0.81	0.6%
Braille & Sight Saving School	0.00	79.17	91.05	89.00	9.83	12.4%
<b>Total Special Schools</b>	<b>126.60</b>	<b>204.96</b>	<b>220.65</b>	<b>215.60</b>	<b>10.64</b>	<b>5.2%</b>
<b>Total Regents, Board of</b>	<b>16,994.59</b>	<b>16,662.52</b>	<b>16,830.62</b>	<b>16,713.41</b>	<b>50.89</b>	<b>0.3%</b>
<b>Total Education</b>	<b>17,618.22</b>	<b>17,352.67</b>	<b>17,534.27</b>	<b>17,407.06</b>	<b>54.39</b>	<b>0.3%</b>

# Health and Human Rights

## FTE

	<u>Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Dept Request FY 2002</u>	<u>Gov Recomm FY 2002</u>	<u>Gov. Rec. vs. FY 2001</u>	<u>Percent Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Blind, Iowa Commission for the</u></b>						
Department for the Blind	95.90	106.50	106.50	106.50	0.00	0.0%
<b><u>Civil Rights Commission</u></b>						
Civil Rights Commission	32.63	38.05	37.00	37.00	-1.05	-2.8%
<b><u>Elder Affairs, Department of</u></b>						
Aging Programs	25.73	37.00	39.00	39.00	2.00	5.4%
<b><u>Governor's Subst. Abuse Coord.</u></b>						
Substance Abuse Prev. Coord.	12.85	13.00	13.00	13.00	-0.00	0.0%
<b><u>Health, Department of Public</u></b>						
Addictive Disorders	17.35	13.65	17.65	17.65	4.00	29.3%
Adult Wellness	18.52	21.99	22.24	20.24	-1.75	-8.0%
Child and Adolescent Wellness	41.07	48.53	47.61	47.61	-0.92	-1.9%
Chronic Conditions	6.05	8.58	6.98	6.98	-1.60	-18.6%
Community Capacity	22.63	23.70	23.40	23.40	-0.30	-1.3%
Elderly Wellness	0.69	0.80	0.80	0.80	0.00	0.0%
Environmental Hazards	4.69	8.00	7.00	7.00	-1.00	-12.5%
Infectious Diseases	33.80	34.30	33.50	33.50	-0.80	-2.3%
Injuries	8.60	7.95	9.70	9.70	1.75	22.0%
Public Protection	120.24	136.77	145.22	136.82	0.05	0.0%
Resource Management	49.75	59.33	61.18	61.18	1.85	3.1%
Gambling Treatment Program	1.35	0.00	0.00	0.00	0.00	
Healthy Iowans 2010-Tbco	0.00	4.75	0.00	0.00	-4.75	-100.0%
Tobacco Use Prev./Control-Tbco	0.17	10.55	10.55	10.55	0.00	0.0%
<b>Total Health, Department of Public</b>	<b>324.91</b>	<b>378.90</b>	<b>385.83</b>	<b>375.43</b>	<b>-3.47</b>	<b>-0.9%</b>

# Health and Human Rights

FTE

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Human Rights, Department of</u></b>						
Administration	5.47	7.00	8.00	7.00	0.00	0.0%
Deaf Services	5.95	7.00	7.00	7.00	0.00	0.0%
Persons with Disabilities	2.52	3.50	3.50	3.50	0.00	0.0%
Division of Latino Affairs	2.12	3.00	3.00	3.00	0.00	0.0%
Status of Women	2.68	3.00	3.00	3.00	0.00	0.0%
Status of African Americans	2.00	2.00	4.00	2.00	0.00	0.0%
Criminal & Juvenile Justice	7.95	9.20	9.20	9.20	0.00	0.0%
Community Grant Fund	0.00	1.44	1.44	1.44	0.00	0.0%
Status of SE Asians	0.00	0.00	0.00	1.00	1.00	
CJJP Justice Data Warehouse	0.48	0.00	0.00	0.00	0.00	
<b>Total Human Rights, Department of</b>	<u>29.17</u>	<u>36.14</u>	<u>39.14</u>	<u>37.14</u>	<u>1.00</u>	2.8%
<b><u>Veterans Affairs, Comm. of</u></b>						
Veterans Affairs, Comm of	4.18	5.00	6.00	5.75	0.75	15.0%
Iowa Veterans Home	<u>810.04</u>	<u>889.84</u>	<u>891.46</u>	<u>889.46</u>	<u>-0.38</u>	0.0%
<b>Total Veterans Affairs, Comm. of</b>	<u>814.22</u>	<u>894.84</u>	<u>897.46</u>	<u>895.21</u>	<u>0.37</u>	0.0%
<b>Total Health and Human Rights</b>	<u><u>1,335.41</u></u>	<u><u>1,504.42</u></u>	<u><u>1,517.93</u></u>	<u><u>1,503.28</u></u>	<u><u>-1.15</u></u>	-0.1%

# Human Services

## FTE

	<u>Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Dept Request FY 2002</u>	<u>Gov Recomm FY 2002</u>	<u>Gov. Rec. vs. FY 2001</u>	<u>Percent Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Human Services, Department of</u></b>						
<b>Economic Assistance</b>						
Family Investment Program	10.30	11.00	11.00	11.00	0.00	0.0%
Child Support Recoveries	218.95	272.40	272.40	321.40	49.00	18.0%
<b>Total Economic Assistance</b>	229.25	283.40	283.40	332.40	49.00	17.3%
<b>Medical Services</b>						
Health Insurance Premium Pmt.	16.45	17.00	17.00	17.00	0.00	0.0%
Medical Contracts	0.00	0.00	0.00	8.00	8.00	
<b>Total Medical Services</b>	16.45	17.00	17.00	25.00	8.00	47.1%
<b>Child and Family Services</b>						
Toledo Juvenile Home	133.08	136.54	140.54	138.54	2.00	1.5%
Eldora Training School	204.97	229.53	230.53	229.53	0.00	0.0%
Community Based Services	1.00	1.00	1.00	1.00	0.00	0.0%
<b>Total Child and Family Services</b>	339.05	367.07	372.07	369.07	2.00	0.5%
<b>MH/MR/DD/BI</b>						
Cherokee Mental Health Inst.	232.52	248.44	248.44	248.44	0.00	0.0%
Clarinda Mental Health Inst.	130.99	138.59	139.59	138.59	0.00	0.0%
Independence Mental Health Ins	345.96	346.71	357.55	352.46	5.75	1.7%
Mt. Pleasant Mental Health Ins	100.72	109.47	109.47	109.47	-0.00	0.0%
Glenwood Resource Center	836.17	877.75	877.75	877.75	0.00	0.0%
Woodward Resource Center	648.01	676.76	676.76	676.76	0.00	0.0%
Sexual Predator Civil Commit.	10.13	20.00	25.00	25.00	5.00	25.0%
<b>Total MH/MR/DD/BI</b>	2,304.50	2,417.72	2,434.56	2,428.47	10.75	0.4%
<b>Managing and Delivering Services</b>						
Field Operations	2,064.68	1,921.46	2,294.66	2,250.66	329.20	17.1%

# Human Services

FTE

	<u>Actual FY 2000</u>	<u>Estimated FY 2001</u>	<u>Dept Request FY 2002</u>	<u>Gov Recomm FY 2002</u>	<u>Gov. Rec. vs. FY 2001</u>	<u>Percent Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Human Services, Department of (cont.)</u></b>						
<b>Managing and Delivering Services (cont.)</b>						
General Administration	336.73	371.00	402.50	396.20	25.20	6.8%
Regional Offices		154.20			-154.20	-100.0%
<b>Total Managing and Delivering Services</b>	<u>2,401.41</u>	<u>2,446.66</u>	<u>2,697.16</u>	<u>2,646.86</u>	<u>200.20</u>	<u>8.2%</u>
<b>Total Human Services</b>	<u><u>5,290.65</u></u>	<u><u>5,531.85</u></u>	<u><u>5,804.19</u></u>	<u><u>5,801.80</u></u>	<u><u>269.95</u></u>	<u><u>4.9%</u></u>

# Justice System

## FTE

	Actual FY 2000 (1)	Estimated FY 2001 (2)	Dept Request FY 2002 (3)	Gov Recomm FY 2002 (4)	Gov. Rec. vs. FY 2001 (5)	Percent Change (6)
<b><u>Attorney General</u></b>						
General Office A.G.	187.21	199.50	202.50	201.50	2.00	1.0%
Prosecuting Attorney Training	5.78	6.00	6.00	6.00	0.00	0.0%
Area GASA Prosecuting Attys.	1.47	2.00	2.00	2.00	0.00	0.0%
Consumer Advocate	25.67	32.00	32.00	32.00	0.00	0.0%
Victim Compensation Fund	16.81	20.00	20.00	20.00	0.00	0.0%
<b>Total Attorney General</b>	<b>236.94</b>	<b>259.50</b>	<b>262.50</b>	<b>261.50</b>	<b>2.00</b>	<b>0.8%</b>
<b><u>Corrections, Department of</u></b>						
<b>CBC Districts</b>						
CBC District I	190.01	202.51	210.01	209.01	6.50	3.2%
CBC District II	140.37	144.87	150.87	146.87	2.00	1.4%
CBC District III	77.99	83.99	84.99	84.99	1.00	1.2%
CBC District IV	65.50	65.50	87.00	81.50	16.00	24.4%
CBC District V	225.65	230.65	238.65	233.65	3.00	1.3%
CBC District VI	188.88	192.88	199.38	195.88	3.00	1.6%
CBC District VII	105.45	105.45	110.45	108.45	3.00	2.8%
CBC District VIII	93.35	95.35	99.10	96.35	1.00	1.0%
<b>Total CBC Districts</b>	<b>1,087.20</b>	<b>1,121.20</b>	<b>1,180.45</b>	<b>1,156.70</b>	<b>35.50</b>	<b>3.2%</b>
<b>Corrections Central Office</b>						
Central Office Corrections	35.92	37.18	37.18	37.18	0.00	0.0%
Corrections Training Center	7.02	8.07	8.07	8.07	0.00	0.0%
<b>Total Corrections Central Office</b>	<b>42.94</b>	<b>45.25</b>	<b>45.25</b>	<b>45.25</b>	<b>0.00</b>	<b>0.0%</b>
<b>Corrections Institutions</b>						
Ft. Madison Inst.	479.37	527.08	563.61	528.50	1.42	0.3%
Anamosa Inst.	389.82	404.50	405.50	405.50	1.00	0.2%
Oakdale Inst.	327.27	338.80	339.30	339.30	0.50	0.1%
Newton Inst.	364.68	392.25	393.25	393.25	1.00	0.3%

# Justice System

## FTE

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Corrections, Department of (cont.)</u></b>						
<b>Corrections Institutions (cont.)</b>						
Mt Pleasant Inst.	322.40	342.59	342.59	342.09	-0.50	-0.1%
Rockwell City Inst.	111.90	121.00	121.00	121.00	0.00	0.0%
Clarinda Inst.	278.05	292.75	295.75	295.75	3.00	1.0%
Mitchellville Inst.	189.47	237.00	237.00	237.00	0.00	0.0%
Ft. Dodge Inst.	332.21	414.00	414.00	414.00	0.00	0.0%
<b>Total Corrections Institutions</b>	<u>2,795.17</u>	<u>3,069.97</u>	<u>3,112.00</u>	<u>3,076.39</u>	<u>6.42</u>	<u>0.2%</u>
<b>Total Corrections, Department of</b>	<u>3,925.30</u>	<u>4,236.42</u>	<u>4,337.69</u>	<u>4,278.33</u>	<u>41.92</u>	<u>1.0%</u>
<b><u>Inspections &amp; Appeals, Dept of</u></b>						
Public Defender	195.78	201.00	208.00	202.00	1.00	0.5%
<b><u>Judicial Branch</u></b>						
Judicial Branch	2,047.05	2,091.84	2,154.28	2,154.28	62.44	3.0%
<b><u>Law Enforcement Academy</u></b>						
Operations	30.26	30.05	32.55	30.05	-0.00	0.0%
<b><u>Parole, Board of</u></b>						
Parole Board	14.09	18.00	18.00	18.00	0.00	0.0%
<b><u>Public Defense, Department of</u></b>						
<b>Public Defense, Dept. of</b>						
Military Division	237.15	256.76	263.76	260.76	4.00	1.6%
<b>Emergency Management Division</b>						
Emergency Management Division	19.83	25.25	25.25	25.25	0.00	0.0%
<b>Total Public Defense, Department of</b>	<u>256.98</u>	<u>282.01</u>	<u>289.01</u>	<u>286.01</u>	<u>4.00</u>	<u>1.4%</u>

# Justice System

FTE

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b>Public Safety, Department of</b>						
Public Safety Administration	37.96	38.80	41.80	41.80	3.00	7.7%
Investigation, DCI	224.92	235.50	252.50	246.50	11.00	4.7%
Narcotics Enforcement	58.17	65.00	72.00	72.00	7.00	10.8%
Fire Marshal	31.51	36.80	42.80	40.80	4.00	10.9%
Capitol Security	26.52	27.00	0.00	0.00	-27.00	-100.0%
Iowa State Patrol	573.96	580.25	621.25	609.25	29.00	5.0%
Fire Fighter Training	0.75	1.00	1.00	1.00	0.00	0.0%
Fire Service	0.00	12.00	12.00	15.00	3.00	25.0%
<b>Total Public Safety, Department of</b>	<u>953.79</u>	<u>996.35</u>	<u>1,043.35</u>	<u>1,026.35</u>	<u>30.00</u>	<u>3.0%</u>
<b>Total Justice System</b>	<u><u>7,660.19</u></u>	<u><u>8,115.16</u></u>	<u><u>8,345.38</u></u>	<u><u>8,256.52</u></u>	<u><u>141.36</u></u>	<u><u>1.7%</u></u>

# Trans., Infra., Capitals

FTE

	Actual FY 2000 <u>(1)</u>	Estimated FY 2001 <u>(2)</u>	Dept Request FY 2002 <u>(3)</u>	Gov Recomm FY 2002 <u>(4)</u>	Gov. Rec. vs. FY 2001 <u>(5)</u>	Percent Change <u>(6)</u>
<b><u>Transportation, Department of</u></b>						
Operations & Finance	275.29	310.00	310.00	310.00	0.00	0.0%
Administrative Services	88.32	96.00	42.00	42.00	-54.00	-56.3%
Planning & Programming	159.53	183.00	163.00	163.00	-20.00	-10.9%
Project Development	1,081.12	1,127.00	0.00	0.00	-1,127.00	-100.0%
Maintenance Division	1,506.90	1,580.00	0.00	0.00	-1,580.00	-100.0%
Highway Division	0.00	0.00	2,782.00	2,782.00	2,782.00	
Motor Vehicle	552.25	563.00	562.00	562.00	-1.00	-0.2%
<b>Total Transportation, Department of</b>	<u>3,663.41</u>	<u>3,859.00</u>	<u>3,859.00</u>	<u>3,859.00</u>	<u>0.00</u>	<u>0.0%</u>
<b>Total Trans., Infra., &amp; Capitals</b>	<u><u>3,663.41</u></u>	<u><u>3,859.00</u></u>	<u><u>3,859.00</u></u>	<u><u>3,859.00</u></u>	<u><u>0.00</u></u>	<u><u>0.0%</u></u>

# Oversight and Communication

FTE

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>Education, Department of</u></b>						
IPTV - Regional Councils	7.96	9.00	8.00	8.00	-1.00	-11.1%
<b><u>IA Telecommun &amp; Technology Commission</u></b>						
ICN Operations/Edu. Subsidy	0.00	0.00	1.00	1.00	1.00	
<b><u>Information Technology, Dept. of</u></b>						
ITD Operations	<u>122.22</u>	<u>65.46</u>	<u>65.46</u>	<u>65.46</u>	<u>0.00</u>	<u>0.0%</u>
<b>Total Oversight and Communication</b>	<b><u>130.18</u></b>	<b><u>74.46</u></b>	<b><u>74.46</u></b>	<b><u>74.46</u></b>	<b><u>0.00</u></b>	<b><u>0.0%</u></b>

# Unassigned Standing

FTE

	<u>Actual FY 2000 (1)</u>	<u>Estimated FY 2001 (2)</u>	<u>Dept Request FY 2002 (3)</u>	<u>Gov Recomm FY 2002 (4)</u>	<u>Gov. Rec. vs. FY 2001 (5)</u>	<u>Percent Change (6)</u>
<b><u>Education, Department of</u></b>						
Child Development	0.04	0.00	0.00	0.00	0.00	
<b><u>Legislative Branch</u></b>						
Legislature	<u>399.13</u>	<u>399.13</u>	<u>399.13</u>	<u>399.13</u>	<u>0.00</u>	0.0%
<b>Total Unassigned Standing</b>	<u><u>399.17</u></u>	<u><u>399.13</u></u>	<u><u>399.13</u></u>	<u><u>399.13</u></u>	<u><u>0.00</u></u>	0.0%



## APPENDIX B

# PROJECTED FY 2002 BUILT-IN AND ANTICIPATED EXPENDITURES

(Dollars in Millions)

	<b>LFB Estimates</b>
<b>FY 2002 Incremental Built-in Increases and Decreases</b>	
Collective Bargaining Salary Packages (Historical Cost)	\$ 42.2
K-12 School Foundation Aid	62.2
Human Services - Medical Assistance	57.7
Human Services - State Children's Health Insurance Program	5.7
M&E Property Tax Replacement Fund	-13.6
Education - Early Intervention/Reduce Class Size	10.0
Human Services - State Cases	1.4
Mental Health Growth Factor	5.5
Elderly and Disabled Credit	0.5
 Total Built-in Increases and Decreases	 <u>\$ 171.6</u>

**Projected FY 2002 Incremental Built-in and Anticipated Expenditures (Continued)**

(Dollars in Millions)

	<b>LFB</b>
	<b><u>Estimates</u></b>
<b>FY 2002 Anticipated Incremental Increases and Decreases</b>	
Corrections - New Beds and Start up Costs	\$ 1.5
Human Services - Social Services Block Grant Replacement	0.8
Human Services - Children/Families Caseload Increase/Adjustment	0.1
Inspections and Appeals - Indigent Defense	1.5
Human Services - Maintain Reimbursement Rate/70.0% USDA	1.1
Human Services - Electronic Benefits Transfer	0.6
Human Services - Family Investment Program Technology Maintenance	0.8
Judicial Branch - Retirement Fund Contribution	0.1
Regents - Tuition Replacement	-0.8
Human Services - Sexual Predators Civil Commitment and Treatment	0.1
Human Services - State Resource Centers Increased Revenue	-1.8
Human Services - Increased Individuals/Services Eligible for Federal Aid	0.5
Human Services - Replacement of One-Time Carry Forward Funds	0.4
Human Services - Child Care	11.3
	<hr/>
Total Anticipated Increases and Decreases	\$ 16.2
	<hr/>
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>\$ 187.8</b>
	<hr/> <hr/>

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b><i>BUILT-IN INCREASES OR DECREASES:</i></b>					
<b>Collective Bargaining Salary Packages</b> <i>Appropriation</i>	Estimated salary increases for negotiated collective bargaining costs.	<ul style="list-style-type: none"> <li>• Salary increases are subject to collective bargaining and represent the historical cost.</li> </ul>	\$ 42.2	<ul style="list-style-type: none"> <li>• Change salary funding policy from past practice. No estimate provided.</li> </ul>	
<b>K-12 School Foundation Aid</b> <i>Standing Unlimited Appropriation</i>	The School Foundation Program establishes limits and controls on local school district spending authority. By formula, the Program determines the amount of state aid and local property tax used in funding school district budgets.	<ul style="list-style-type: none"> <li>• Assumes 4.0% allowable growth.</li> <li>• Assumes increase in taxable valuations of 5.0%.</li> <li>• Assumes enrollment decrease of 0.9%.</li> <li>• Assumes Special education weighting increase of 4.0%</li> <li>• Assumes supplemental weighting for shared pupil/teacher increase of 16.9%.</li> <li>• Assumes an English as a second language weighting increase of 9.4%.</li> </ul>	\$ 62.6	<ul style="list-style-type: none"> <li>• No options identified.</li> </ul>	

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Human Services - Medical Assistance Appropriation</b>	Medical Assistance is a state/federal entitlement program that provides medical services to eligible low-income recipients. To qualify for federal funding, the State must reimburse providers for certain mandatory services. The State has the option to provide coverage of additional services and can elect to expand coverage to optional eligibility groups. Iowa is currently covering most of the optional services and optional eligibility groups for which federal funding is available. The State also has the ability to set the rates it uses to reimburse service providers, within federal guidelines.	<ul style="list-style-type: none"> <li>• Increased provider reimbursements (\$26.8 million) due to increased eligibles and increased utilization.</li> <li>• Increased pharmaceutical expenditures (\$15.7 million) due to 5.0% utilization increase and 11.4% cost increase.</li> <li>• Nursing facility increases (\$8.1 million) to maintain the 70<sup>th</sup> percentile.</li> <li>• Increased waiver expenditures (\$5.7 million).</li> <li>• Increased expenditures (\$1.5 million) for the Medicaid for Employed Persons with Disabilities Program.</li> </ul>	\$ 57.7	<ul style="list-style-type: none"> <li>• Fund nursing facility increase from the Senior Living Trust Fund rather than the General Fund.</li> <li>• Elimination of Optional Services (total \$136.5 million). These may result in some offsetting cost increases in mandatory services. Major Optional Services are as follows: <ul style="list-style-type: none"> <li>• Eliminate coverage of prescribed drugs. 79.6</li> <li>• Eliminate various waived services. 21.2</li> <li>• Eliminate nonfederal share of Intermediate Care Facilities for the Mentally Retarded and State Cases. 6.5</li> <li>• Eliminate coverage of dental services. 6.4</li> <li>• Eliminate coverage of optometric services. 1.4</li> <li>• Eliminate coverage for durable medical equipment and supplies. 10.3</li> <li>• Eliminate physical therapist, rehabilitation services, and audiologist services. 3.1</li> <li>• Eliminate case management services for mentally retarded and developmental disability eligible individuals. 3.9</li> <li>• Other 4.1</li> </ul> </li> </ul>	\$ 8.1

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Human Services - State Children's Health Insurance Program</b> <i>Standing Unlimited Appropriation</i>	The State Children's Health Insurance Program (CHIP) provides health insurance to low-income uninsured children living in families with incomes below 200.0% of the federal poverty level.	<ul style="list-style-type: none"> <li>FY 2002 assumes a 50.5% increase in enrollment and a 2.6% increase in average cost per eligible.</li> </ul>	\$ 5.7	<ul style="list-style-type: none"> <li>Revise growth assumptions to assume fewer children will be enrolled. The amount of savings is dependent upon revised growth assumptions. No estimate provided.</li> </ul>	
<b>Machinery and Equipment (M &amp; E) Property Tax Replacement Fund</b> <i>Appropriation</i>	Due to the phase out of the property tax on M&E, current law provides for the replacement of lost valuation compared to the base year (FY 1996). HF 2165 (1996 Legislative Session) expanded the replacement to include tax increment financing (TIF) districts.	<ul style="list-style-type: none"> <li>The replacement calculation for FY 2002 subtracts the increase in commercial and industrial property valuation due to additional investment during the M&amp;E property tax repeal.</li> <li>The percentage of the value of existing machinery and equipment subject to property taxes decreases by 8.0%.</li> </ul>	\$ -13.6	<ul style="list-style-type: none"> <li>No options identified.</li> </ul>	

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Education - Early Intervention/Reduce Class Size Block Grant</b> <i>Standing Limited Appropriation</i>	House File 743 (1999 Session) created a Block Grant Program to reduce the kindergarten through grade three class size to 17 pupils per teacher. The funds may also be used on program, instructional support and materials for those grades. Section 256E.5, <u>Code of Iowa</u> , appropriates \$10.0 million for FY 2000, \$20.0 million for FY 2001, \$30.0 million for FY 2002, and \$30.0 million for FY 2003.	<ul style="list-style-type: none"> <li>• Increase is set by statute.</li> </ul>	\$ 10.0	<ul style="list-style-type: none"> <li>• Notwithstanding the statute and continue funding at \$20.0 million for FY 2002.</li> <li>• Amend the statute to cap the appropriation at \$20.0 million.</li> </ul>	\$ 10.0  \$ 10.0
<b>Human Services - State Cases</b> <i>Appropriation</i>	The State Cases Program provides mental health, mental retardation, or other developmental disability services to persons who do not have a county of legal settlement.	<ul style="list-style-type: none"> <li>• Based on the DHS FY 2002 budget request.</li> </ul>	\$ 1.4	<ul style="list-style-type: none"> <li>• Cap the amount at the FY 2001 appropriation.</li> <li>• Eliminate statutory language specifying that once a person who does not have a county of legal settlement is part of the State Cases Program until the person leaves the State.</li> </ul>	\$ 1.4

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Mental Health Growth Factor</b> <i>Appropriation</i>	House File 782 (1999 Session) appropriated \$21.8 million for the mental health growth factor for FY 2001. This is an increase of \$3.6 million (1.6%) compared to FY 2000. The increase is for inflation applied to the sum of the county base expenditures for county Mental Health/Mental Retardation/Developmental Disabilities Services funds and the previous allowable growth appropriation.	<ul style="list-style-type: none"> <li>• Enacted in SF 2452 (2000 Standings Appropriations Act), a 2.3353% increase of the base expenditure calculation was used.</li> </ul>	\$ 5.5	<ul style="list-style-type: none"> <li>• Eliminate the growth or reduce the growth amount, based upon statewide balances of the 99 county Mental Health/Mental Retardation Services Funds.</li> </ul>	\$ 5.5
<b>Revenue and Finance - Elderly and Disabled Credit</b> <i>Standing Unlimited Appropriation</i>	Provides a property tax credit for low-income, elderly, or disabled taxpayers.	<ul style="list-style-type: none"> <li>• Based on actual FY 2000 tax credits.</li> </ul>	\$ 0.5	<ul style="list-style-type: none"> <li>• Reduce the number of persons eligible or the amount a person is eligible to receive, or place a cap on the amount of the credit that would be reimbursed in a year. No estimate provided.</li> </ul>	

### FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>ANTICIPATED INCREASES OR DECREASES</b>					
<b>Corrections - New Beds and Start up Costs Appropriation</b>	Includes costs associated with new buildings becoming operational and the elimination of onetime costs funded in FY 2001. Various Corrections Projects: <ul style="list-style-type: none"> <li>• \$50,000 to annualize staff for additional residential beds in Dubuque and deduct FY 2001 one-time costs.</li> <li>• \$1.0 million for staff, support, and FY 2002 one-time costs to operate additional residential beds in Council Bluffs.</li> <li>• \$1.3 million to annualize staff for additional beds in Fort Madison and deduct FY 2001 one-time costs.</li> <li>• A decrease of \$797,000 to eliminate lease-purchase payments. FY 2001 was the last year for lease-purchase payments from FY 1990 corrections expansion.</li> </ul>	<ul style="list-style-type: none"> <li>• Includes salaries and building operational costs.</li> <li>• Includes savings associated with the elimination of a lease purchase payment and deduction for FY 2001 one-time costs.</li> </ul>	\$ 1.5	<ul style="list-style-type: none"> <li>• Increase paroles.</li> <li>• Permit bed construction to be completed before appropriating any operating funds. Council Bluffs is scheduled to open in July 2001 and Fort Madison is scheduled to open in March 2002. However, historically there have been construction delays that delayed opening dates for additional beds. No estimate provided.</li> </ul>	

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Human Services - Social Services Block Grant Replacement Appropriation</b>	The Social Services Block Grant (SSBG) provides federal funding for various social services to reduce dependency on government assistance, prevent child abuse, and provide appropriate community-based or institutional care.	<ul style="list-style-type: none"> <li>In recent years, the DHS transferred approximately 10.0% of Iowa's Temporary Assistance for Needy Families (TANF) funding to supplement reduced federal SSBG funding. Revised federal legislation now limits the amount of TANF that can be transferred to SSBG programs to 4.25% of the TANF block grant. The General Fund is assumed to fund the shortfall created by the TANF transfer limitation.</li> </ul>	\$ 0.8	<ul style="list-style-type: none"> <li>Reduce services as needed to stay within the federal fund budget and do not supplement the shortfall with State General Funds.</li> </ul>	\$ 0.8
<b>Human Services - Children/Families Caseload Increase/Adjustment Appropriation</b>	Maintains child welfare services at the current year cost, with changes in numbers served and per diem rates based on services provided.	<ul style="list-style-type: none"> <li>Based on the DHS FY 2002 request.</li> </ul>	\$ 0.1	<ul style="list-style-type: none"> <li>Maintain the FY 2001 appropriation and readjust the number served or the per diem rate.</li> </ul>	\$ 0.1
<b>Inspections and Appeals - Indigent Defense Appropriation</b>	The Indigent Defense Fund is used to pay costs of legal counsel and related defense costs for adult and juvenile clients to insure their constitutional right to effective and legal counsel.	<ul style="list-style-type: none"> <li>Estimate based on historical growth in claims, plus annualized FY 2000 hourly rate increase for contract attorneys.</li> </ul>	\$ 1.5	<ul style="list-style-type: none"> <li>Pay claims in excess of the appropriation from the State Appeal Board.</li> <li>Negotiate fee limitations for expert witnesses, court reporters, and interpreters. No estimate provided.</li> </ul>	

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Human Services - Maintain Reimbursement Rate/70.0% USDA Appropriation</b>	Percentage of reimbursement for certain foster care services historically provided by the Iowa General Assembly has been 70.0% of the United States Department of Agriculture estimated annual cost for raising a child.	<ul style="list-style-type: none"> <li>Based on the DHS adjustment in ages in addition to an increase in the rate as in FY 2001.</li> </ul>	\$ 1.1	<ul style="list-style-type: none"> <li>Maintain the FY 2001 appropriation amount and reduce the 70.0% of the U.S.D.A. to a decreased percentage, estimated to between 65.0% and 70.0%.</li> </ul>	\$ 1.1
<b>Human Services - Electronic Benefits Transfer Appropriation</b>	The Electronic Benefits Transfer Program (EBT) provides economic assistance benefits, including food stamps, to eligible individuals through the use of an automated benefits card.	<ul style="list-style-type: none"> <li>Estimate assumes EBT will be implemented by the October 2002 federal deadline.</li> </ul>	\$ 0.6	<ul style="list-style-type: none"> <li>Eliminate the \$0.15 retailer transaction fee.</li> </ul>	\$ 0.2
<b>Human Services - Family Investment Program Technology Maintenance Appropriation</b>	This technology initiative allows the DHS to meet federal requirements for data reporting and for eligibility and benefits determination for the Family Investment Program, Food Stamps, and Medicaid.	<ul style="list-style-type: none"> <li>Assumes the cost of this technology initiative which was previously funded through the Information Technology Account will be funded through the General Fund in FY 2002.</li> </ul>	\$ 0.8	<ul style="list-style-type: none"> <li>Continue to fund this technology initiative through the Information Technology Account.</li> </ul>	\$ 0.8
<b>Judicial Branch - Retirement Fund Contribution Appropriation</b>	The Judicial Retirement System provides retirement benefits to judges. Pursuant to Section 602.9104(4), <u>Code of Iowa</u> , the employer's contribution rate is 23.7% of all covered judges' salaries.	<ul style="list-style-type: none"> <li>Assumes a 3.0% cost of living increase.</li> </ul>	\$ 0.1	<ul style="list-style-type: none"> <li>No options Identified.</li> </ul>	

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Regents - Tuition Replacement Appropriation</b>	Tuition replacement is the appropriation to pay the debt service costs of academic revenue bonds. The bonds are sold when approved by the General Assembly to pay for certain buildings on the campuses of Regents' institutions. The payments are "guaranteed" with tuition and fee revenues from the students attending the Regents' universities.	<ul style="list-style-type: none"> <li>Based on current debt service schedules.</li> </ul>	\$ -0.8	<ul style="list-style-type: none"> <li>The General Assembly is not required by statute pay this debt service cost. However, failure to pay the debt service cost could result in higher tuitions and/or jeopardize future bond ratings. No estimate provided.</li> </ul>	
<b>Human Services - Sexual Predators Civil Commitment and Treatment Appropriation</b>	Long term mental health treatment of sexually violent predators, with housing at the Iowa Medical Classification Center at Oakdale.	<ul style="list-style-type: none"> <li>Based on the DHS FY 2002 request.</li> </ul>	\$ 0.1	<ul style="list-style-type: none"> <li>Eliminate the Commitment Program which would result in the possible release of sexually violent predators after they serve the required prison term. The number committed into the Program is expected to increase if the Program is maintained.</li> </ul>	\$ 1.3
<b>Human Services - State Resource Centers Increased Revenue Appropriation</b>	The State Resource Centers at Glenwood and Woodward are operated on a net budgetary system. This permits the Schools to retain most of the revenues directly in lieu of a greater State appropriation.	<ul style="list-style-type: none"> <li>Based on the DHS FY 2002 request.</li> </ul>	\$ -1.8	<ul style="list-style-type: none"> <li>No options identified.</li> </ul>	

### FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Human Services - Increased Individuals/Services Eligible for Federal Aid Appropriation</b>	Changes in the number of services or individuals which have been served with State funds, which may now be eligible for a draw of federal funds for the same service or individual.	<ul style="list-style-type: none"> <li>• It is estimated that fewer services will be eligible for federal funding. There have been several years of negotiations with the federal government regarding particularly the services for which the State Department of Human Services have been charging the federal government. Instead of the typical decrease in cost of this category of expenditure, the reverse may have to occur in FY 2002 due to questions by the federal government.</li> </ul>	\$ 0.5	<ul style="list-style-type: none"> <li>• Maintain the FY 2001 appropriation and decrease services, decrease the amount paid for the same services, or decrease the number of individuals receiving particular services.</li> </ul>	\$ 0.5

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Human Services - Replacement of One time Carry Forward Funds from FY 2001 Appropriation</b>	Carry forward funds from not implementing subsidized guardianship program and from the Sexual Predator Commitment Program.	<ul style="list-style-type: none"> <li>• The Subsidized Guardianship Program was delayed by the DHS and then eliminated by the General Assembly instead of being implemented in FY 2000. This permitted then available onetime funds to carry forward into FY 2001. The number of individuals committed under the Sexual Predator Commitment Program did not increase at the rate funded for during FY 2000 and therefore, permitted onetime funds to carry forward into FY 2001.</li> </ul>	\$ 0.4	<ul style="list-style-type: none"> <li>• No options identified.</li> </ul>	

## FY 2002 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2002 vs. FY 2001 (4)	Options for Reductions and Other Options (5)	Amount (6)
<b>Human Services - Child Care</b> <i>Appropriation</i>	The Child Care Services Program has several elements including a Child Care Financial Assistance Program for persons meeting financial eligibility criteria. Due to certain conditions, the Department of Human Services initiated a waiting list October 1, 2000, which has then not added individuals to the list who do not meet the legislative exempted list of eligibility.	<ul style="list-style-type: none"> <li>• Estimate based on the DHS FY 2002 request of Protective Services in ACFS plus Child Care Assistance. Does not eliminate the waiting list.</li> <li>• Additional eligibles, and FY 2001 shortfall borrowed from the federal government.</li> <li>• Does not include additional staff within Field Operations for the FY 2002 request.</li> </ul>	\$ 11.3	<ul style="list-style-type: none"> <li>• Increase the standards for eligibility to decrease the number of persons qualified for the Child Care Financial Assistance Program.</li> <li>• Eliminate the exemptions from the waiting list, to decrease the number of eligible persons for the Child Care Financial Assistance Program.</li> <li>• Child Care is not an entitlement required by federal law.</li> </ul>	\$ 11.3

## APPENDIX C

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# GLOSSARY OF BUDGET TERMS

**Accrual:** The basis of accounting under which revenues are recorded when earned and expenditures are recognized in the period in which benefit is derived. It provides for the matching of expense against related revenue.

**Allocation:** Funds and/or personnel which are apportioned or designated to a function, program, or activity.

**Appropriation:** A legislative allocation of money for a specific purpose.

**75.0% Base Budgeting:** A form of modified base budgeting used by the State in which agency managers assume for budgeting purposes that 75.0% of the current appropriation becomes the base for the next fiscal year's budget.

**Budget Unit:** A predetermined grouping of one or more organizations that indicates an individual entity within a department. There may be one or more budget units within a department. A budget unit generally equals an appropriation made by the General Assembly.

**Budgeting for Results:** A form of budgeting which ties the appropriation of resources to the outcomes or results expected from a program. A results-oriented performance budget is developed by defining desired program results and determining how many units of the desired outcomes can be achieved with the requested level of funding. Resources are then allocated based on the performance expected. Progress toward meeting the outcomes is tracked and analyzed, and department directors are held accountable for the performance.

**Capital Appropriation:** An appropriation for long-term additions to, or betterment of State property, such as land, buildings, or equipment.

**Contract Personnel:** Additional workers departments hire from private sector employment organizations using a contractual agreement. The individuals are employees of the employment agencies and not the State of Iowa.

**Cost-Of-Living Adjustment (COLA):** An annual increase made in the personal services line-item at the start of the fiscal year to take account of increases in the cost of living. The adjustment is determined through the collective bargaining process.

**Deappropriation:** A decrease in the amount of an appropriation for a current fiscal year.

**Decision Package:** An individual request for funding made by a department for personnel, services, equipment, capitals, or other items. Decision packages are either requests to return the budget to 100.0% of the previous year's appropriation from the 75.0% base budget, or new requests for funding, over and above the previous year's appropriation. Decision packages are normally listed in priority order for each budget unit.



**Electronic Publishing of Information:** A project to provide electronic access to information produced or provided by the Legislative Fiscal Bureau.

**Estimated Revenues:** A projection compiled by the Revenue Estimating Conference for General Fund receipts.

**Expenditures:** Disbursements and payables for services rendered and goods received including authorized encumbrances for a specific period.

**Estimated Expenditures:** A projection compiled according to legislative action, adjusted for salary, cost-of-living, and merit increases.

**Family Investment Program (FIP):** The Program in Iowa replacing the Aid for Families with Dependent Children (AFDC) Program, also referred to as Welfare. The FIP is administered by the Iowa Department of Human Services and receives federal funding from the Temporary Assistance for Needy Families (TANF) federal block grant.

**Federal Fiscal Year (FFY):** The 12-month financial period used for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management for the federal government. The fiscal year of the federal government is October 1 through September 30.

**Fiscal Year (FY):** The 12-month financial period used for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management. The fiscal year of the State of Iowa is July 1 to June 30.

**Full-Time Equivalent (FTE) Positions:** One full-time equivalent position represents 2,080 working hours, which is the regular number of hours one full-time person works in one fiscal year.

**General Fund:** The fiscal entity whose receipts are not earmarked for dedicated purposes and which supports the general functions of State government.

**Generally Accepted Accounting Principles (GAAP):** A method of accounting approved by the Governmental Accounting Standards Board.

**Goal:** A broad statement of purpose or intended achievement as established by policy makers or program administrators.

**Grants and Aids:** State money that passes through State departments for local needs.

**Item Veto:** The action by the Governor voiding a section of an appropriation bill.

**Line-Item:** A term to describe funds requested and/or appropriated on a detailed or itemized basis (personal services, travel, equipment, or other items).

**Merit Increase:** The normal pay increase granted at the time of an employee's review date. Currently, a merit increase is the equivalent of one merit step or approximately 4.0% of the employee's salary.

**New/Expanded Programs:** Departmental requests that are above and beyond current operations of the department.

**Objective:** A specific statement of intent or action that serves to achieve a stated goal.

**Operations:** An appropriation of funds for the performance of the normal functions of a department or a division.

**Organization:** A responsibility center within the management structure of a department.

**Performance Measures:** Criteria used to assess progress toward objectives in the implementation of a program.

**Reversion:** Following the close of a fiscal year, all unencumbered or unobligated balances revert to the State treasury and to the credit of the fund from which the appropriation was made.

**Revolving Fund:** A fiscal entity that has a designated revenue source and specific expenditure purpose, with stipulated State agency access to the fund as required. All balances in a revolving fund typically remain in the fund at the close of the fiscal year for expenditure in the future.

**Salary Adjustment:** Costs for raises, merit steps, and other expenses associated with a collective bargaining agreement. Because the costs of the collective bargaining agreement are unknown at the time of budget submission, departments do not include these costs in their budgets. An appropriation is made to fund the adjustment costs in an annual Salary Bill.

**Salary Annualization:** Costs due to merit steps, which occur for only part of the first year and require additional funds to fully fund in the second year. For example, if a merit step is given halfway through the fiscal year, the first-year cost to the agency is only one-half the amount the department would incur if the step started on the first day of the fiscal year. The department would incur the entire amount in the second year and request the difference between the first and second year amounts in the budget request.

**Standing Limited Appropriation:** An appropriation of a specific dollar amount established by the Code of Iowa. An example is the Indian Settlement Officer, Section 331.660, Code of Iowa: "There is appropriated annually from the General Fund of the State to the County of Tama the sum of three-thousand, three-hundred, sixty-five dollars to be used by the County only for the payment . . .".

**Standing Unlimited Appropriation:** An appropriation of an unspecified dollar amount established by the Code of Iowa. An example reads as follows: "There is hereby appropriated out of any funds in the State treasury not otherwise appropriated a sum sufficient to pay for . . .".

**Supplemental Appropriation:** Additional funds appropriated for the current fiscal year in addition to the original appropriation.

**Temporary Assistance for Needy Families (TANF):** The federal block grant created by federal Welfare Reform in FFY 1997, allowing states flexibility in welfare programs and instituting a five-year limitation on aid to families. In Iowa, the TANF block grant provides funding for the Family Investment Program (FIP) and other programs supporting FIP recipients.

## APPENDIX D

### ISSUE REVIEW SERIES

As part of the continuing effort to provide legislative oversight, the staff of the Legislative Fiscal Bureau (LFB) monitors a variety of issues that develop in state agencies. Many of the issues are reported through the *Fiscal Update* newsletter, but some require more detailed review to present sufficient information and some may require legislative action. To meet the need, the LFB developed an *Issue Review* series in 1992, which presents selected issues to members of the General Assembly and the Fiscal Committee. Where appropriate, each paper contains a specific issue topic, a brief background on information related to the topic, the current situation, affected agencies, Code of Iowa authority, alternatives the General Assembly may wish to consider, and budgetary impacts.

The following *Issue Reviews* have been distributed during the 2000 Legislative Session or Interim and are available from the LFB (listed alphabetically).



- Agricultural Drainage Wells (updated 11-2000)
- Board of Regents Deferred Maintenance
- Board of Regents Fire and Environmental Safety
- Child Care Subsidies
- Childhood Lead Poisoning and Prevention
- Declining Enrollments and Budget Guarantee
- Department of Corrections: Telephone Rebate Fund
- Department of General Services Project Management Services
- Economic Impact of Travel on the Iowa Economy
- Excursion Gambling Boats, Pari-Mutuel, and Slot Machines at Racetracks (updated 11-2000)
- Housekeeping and Dietary Services Staffing at the Iowa Veterans Home
- Indigent Defense (updated 11-2000)
- Indigent Patient Care Program at the University of Iowa Hospitals and Clinics
- Interdepartmental Billing
- Iowa Finance Authority Housing Loan Programs
- Iowa's Children's Health Insurance Program (updated 9-2000)
- Iowa's Teacher Salaries
- Iowa's Teacher Salaries - Comparative Studies
- Judicial Branch - A Brief Description (updated 11-2000)
- Judicial Salaries
- Linked Investments for Tomorrow Program (updated 11-2000)
- Proposed Administrative Rules to Recover Costs Associated with the Administration of the Local Option Sales and Service Taxes
- School Infrastructure Program
- School Liaison Program
- Section 8.39 Appropriations Transfers (updated 10-2000)
- Senior Living Program
- Sex Offender Registry
- Vertical Infrastructure Definition
- Vision Iowa Program
- Waste Tire Management Program

In addition to the *Issue Review* series, the LFB staff provided the following information at all Fiscal Committee meetings:

- Revenue Update
- Update of Appropriation Transfers
- Update of Lease Purchase Notifications

The LFB also provided the following updates periodically at Fiscal Committee meetings:

- General Fund Built-In Appropriation Increases
- Update on Oversight and Communications Committee
- Tobacco Securitization
- Federal Funds
- Vision Iowa Board Meetings

The LFB provided written information on the following specifically requested topics to the Fiscal Committee (listed alphabetically with month presented in parentheses):

- Board of Regents Budget Ceiling Adjustments (September)
- Board of Regents Capital Budget Requests for FY 2002 and Five-Year Capital Plan (September)
- Board of Regents Indirect Cost Recovery (September)
- Board of Regents Proposed Tuition Increases (September)
- Board of Regents Treasurer's Temporary Investments (September)
- Department of Human Services contract with Consultec and durable medical equipment reimbursement (November)
- Eligibility of Iowa's largest schools for the School Infrastructure Program (September)
- FY 2002 Budget Timetable and Governor's Budget Hearing Schedule (November)
- HAWK-I Outreach and Medicaid Enrollment (November)
- Medicaid Drug Rebates (November)
- Per Pupil Funding for Education (September)
- Programs and Incentives for Business and Economic Development (November)
- Relationship between Medicaid and the Indigent Patient Care Program (November)
- State indebtedness (December)
- Teacher Recruitment and Retention Incentives (November)

The LFB organized and coordinated the following visitations by the Fiscal Committee:

- State Training School at Eldora on September 6, 2000, to tour the facilities and review Department of Human Services issues.
- Oakdale Campus at the State University of Iowa in Iowa City on September 26, 2000, to tour new and renovated buildings on the main campus and review Board of Regents issues.

## APPENDIX E

### ELECTRONIC PUBLISHING OF INFORMATION

The Legislative Fiscal Bureau (LFB) has a series of computer programs to allow legislators and legislative staff on-line access to LFB information. The information which is available includes:

1. A LFB staff directory with access to electronic mail and Committee and Subcommittee assignments.
2. Financial information including:
  - A. Appropriations Tracking - Viewing of appropriations status and amounts.
  - B. Balance Sheet - Viewing the most recent and past balance sheets.
  - C. Taxes and Receipts - Viewing of daily and historical revenue information.
  - D. Monthly Revenue Memo - Viewing of the Monthly Revenue Memo issued the first of each month.
3. Miscellaneous Information and Publications, including:
  - A. Searching and viewing of the Fiscal Update (the weekly LFB newsletter) and *Issue Reviews* published by the LFB.
  - B. Accessing an electronic version of the State Employee Salary Book. The program provides electronic searching capabilities.
  - C. Viewing a repository of miscellaneous information created by the LFB including on-going reports and information.
  - D. Accessing the Department Budget Requests and Governor's Budget Recommendations analysis created by the LFB.
  - E. Viewing the LFB Factbook, which is statistical summary information.
4. Fiscal Notes and Bill Summaries:
  - A. Viewing the executive summaries of Notes on Bills and Amendments (NOBA).

- B. The Fiscal Note System - Accessing the status of written and pending fiscal notes, displaying filed fiscal notes, and viewing a historical index of fiscal notes from past sessions.

Each computer program has a help file which is intended to assist the user in running each of the programs.

The LFB Electronic Publishing of Information operates in the Designer Workbench Mapper mainframe program. Please type the word "Fiscal" and the user will have access to the introductory menu. The button "Fiscal" in the main Computer Support Bureau program "Genmenu" will also access the LFB area.



The Legislative Fiscal Bureau has developed a logo to assist in the location of products associated with the Electronic Publishing of Information. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.

The LFB is continuing development of the Electronic Publishing system during the session and the coming interim. If you have any suggestions, questions, or problems with the computer run or information, please do not hesitate to contact the LFB. The LFB information is available on the Web at <http://staffweb.legis.state.ia.us/lfb/>.

## APPENDIX F

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### STAFF LISTING

#### LEGISLATIVE FISCAL BUREAU

Dennis C. Prouty, Director  
Capitol, Second Floor  
281-5279

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
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FISCAL ANALYSIS	Holly Lyons	281-7845	Capitol - Room 217
POLICY ANALYSIS	Douglas Wulf	281-3250	Lucas - Room G23
DATABASE	Glen Dickinson	281-4616	Lucas - Room G23

#### APPROPRIATIONS SUBCOMMITTEES

##### ADMINISTRATION & REGULATION

Auditor  
Commerce  
Ethics & Campaign Finance Disclosure  
General Services  
Governor  
Management  
Secretary of State  
Treasurer

Christina Schaefer 281-7942 Lucas - Room G23

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Inspections & Appeals Personnel Revenue & Finance	Ron Robinson	281-6256	Lucas - Room G23
<b>AGRICULTURE &amp; NATURAL RESOURCES</b>			
Agriculture Iowa Family Farm Development Authority Natural Resources	Debra Kozel	281-6767	Lucas - Room G23
<b>ECONOMIC DEVELOPMENT</b>			
Economic Development Iowa Finance Authority Public Employment Relations Board Workforce Development	Dwayne Ferguson	281-6561	Lucas - Room G23
	Alice Wisner	281-4611	Capitol - Room 217
<b>EDUCATION</b>			
Board of Regents College Aid Commission Cultural Affairs Education Iowa Public Television	Mary Shipman	281-4617	Capitol - Room 17
	Robin Madison	281-5270	Lucas - Room G23
<b>HEALTH &amp; HUMAN RIGHTS</b>			
Blind Elder Affairs Governor's Office of Drug Control Policy Human Rights Civil Rights Public Health Veterans Affairs	Lisa Burk	281-6765	Lucas - Room G23
	Russ Trimble	281-4613	Lucas - Room G23

<b>STAFF ASSIGNMENTS</b>	<b>STAFF PERSON</b>	<b>PHONE</b>	<b>LOCATION</b>
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Child Support Recovery Children's Health Insurance Program Family Investment Program, Promise Jobs, Food Stamps General Administration Medical Services Temporary Assistance for Needy Families (TANF) Block Grant	Deb Anderson	281-6764	Lucas - Room G23
Child Care County Based Services Field Operations Foster Care Institutions Juvenile Justice Mental Health/Mental Retardation/Developmental Disabilities Enhanced Services Social Services Block Grant	Sue Lerdal	281-7794	Capitol – Room 217
<b>JUSTICE SYSTEM</b>			
Iowa Law Enforcement Academy Judicial Department Public Defense Public Safety Corrections Indigent Defense/Public Defender Justice Department Parole Board	Jennifer Dean	281-7846	Lucas - Room G23
	Beth Lenstra	281-6301	Lucas - Room G23
<b>OVERSIGHT &amp; COMMUNICATION</b>			
Iowa Telecommunications & Technology Commission	Douglas Wulf	281-3250	Lucas - Room G23
Pooled Technology Account Information Technology Department	Glen Dickinson	281-4616	Lucas - Room G23

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Capitals	David Reynolds	281-6934	Lucas - Room G23
Iowa State Fair Authority			
<b>WAYS AND MEANS</b>			
Standing Committees	Jeff Robinson	281-4614	Capitol - Room 217
	Alice Wisner	281-4611	Capitol - Room 217
<b>EDUCATION STANDING COMMITTEES</b>			
School Finance	Shawn Snyder	281-7799	Capitol - Room 217
<b>APPROPRIATIONS COMMITTEES</b>			
	Holly Lyons	281-7845	Capitol - Room 217
<b>DATABASE SUPPORT</b>			
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	Raymond Knapp	281-5335	Lucas - Room G23
	Scott Miller	281-4612	Lucas - Room G23
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The Legislative Fiscal Bureau is one of four central non-partisan agencies of the Iowa General Assembly. The principal tasks of the LFB are to provide timely, useful analysis and evaluation of expenditures, revenues and operations of state government, and to evaluate the potential impact of legislative proposals to state and local government.



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